

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

B E T W E E N:

BRIDGING FINANCE INC., AS AGENT

Applicant

- and -

**AUDIBLE CAPITAL CORP.,
AVENIR TRADING CORP., 1892244 ALBERTA LTD.,
AVENIR SPORTS ENTERTAINMENT LTD.,
AVENIR SPORTS ENTERTAINMENT CORP. and
PORTLAND WINTERHAWKS, INC.**

Respondents

APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c.B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c.C.43, AS AMENDED

APPLICATION RECORD

(returnable May 6, 2020)
(appointing a Receiver)

April 28, 2020

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5000 Yonge Street, 10th Floor
Toronto, ON M2N 7E9

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Lawyers for the Applicant

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TAB 1

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
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B E T W E E N:

BRIDGING FINANCE INC., AS AGENT

Applicant

- and -

**AUDIBLE CAPITAL CORP.,
AVENIR TRADING CORP., 1892244 ALBERTA LTD.,
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NOTICE OF APPLICATION

TO THE RESPONDENTS

A LEGAL PROCEEDING HAS BEEN COMMENCED by the Applicant. The claim made by the Applicant appears on the following page.

THIS APPLICATION will come on for a hearing on Wednesday May 6, 2020, at 12:00 p.m. EDT, before a Judge presiding over the Commercial List by way of video conference.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the *Rules of Civil Procedure*, serve it on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of

appearance, serve a copy of the evidence on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date April 28, 2020

Issued by _____

Local Registrar

Address of court office: Superior Court of Justice
330 University Avenue, 9th Floor
Toronto, Ontario M5G 1R7

TO: **AUDIBLE CAPITAL CORP.,
AVENIR TRADING CORP.
1892244 ALBERTA LTD.
AVENIR SPORTS ENTERTAINMENT LTD.
AVENIR SPORTS ENTERTAINMENT CORP.,
and PORTLAND WINTERHAWKS, INC.**
c/o William Michael Gallacher
E-mail: billg@audiblecapital.com

Mitch Williams
Burnet, Duckworth & Palmer LLP
E-mail: mwilliams@bdplaw.com

APPLICATION

1. The Applicant, Bridging Finance Inc., as Agent (the “**Agent**”), makes application for:
 - (a) an order that the time for service is abridged and validated and the manner of service of this notice of application and the application record is validated, such that the application is properly returnable on May 6, 2020 and no further service is necessary or required;
 - (b) an order appointing KSV Kofman Inc. (“**KSV**”) as receiver (“**Receiver**”) of the property, assets and undertaking of the Respondents (the “**Debtors**”) pursuant to Section 243 of the *Bankruptcy and Insolvency Act*, R.S.C 1985, c. B-3 (the “**BIA**”), and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43 (the “**CJA**”); and
 - (c) such further and other relief as this Honourable Court may deem just.
2. The grounds for the application are:

The Debtors

- (a) Each of Audible Capital Corp. (“**Audible**”), Avenir Trading Corp., 1892244 Alberta Ltd., and Avenir Sports Entertainment Ltd. (“**ASE Canada**”) (collectively, the “**Canadian Debtors**”), is a company incorporated in the Province of Alberta.
- (b) William Michael Gallacher (“**Gallacher**”), a resident of the City of Toronto, is the ultimate sole shareholder of the Debtors.

- (c) ASE Canada is the parent company of Avenir Sports Entertainment Corp. (“**ASE US**”), a Nevada corporation. ASE US is the parent company of Portland Winter Hawks, Inc. (“**PWH**” and together with ASE US, the “**US Debtors**”), an Oregon corporation. PWH is the owner of the Portland Winterhawks (the “**Winterhawks**”), a junior ice hockey team based in Portland, Oregon that plays in the Western Hockey League.
- (d) PWH carries on business in Portland, Oregon and has a Canadian bank account with Royal Bank of Canada.
- (e) Audible has an option to purchase the shares of Swiss Entertainment Company SA (“**Swiss Entertainment**”), a Switzerland corporation. Swiss Entertainment is the owner of Lausanne Hockey Club SA (“**LHC**”), and Lausanne Arena SA (“**Arena Co.**”). LHC is the owner of the Lausanne Hockey Club, a hockey team based in the city of Lausanne, Switzerland that competes in the National League. Arena Co. is the owner of the Vaudoise Arena, the home venue for the Lausanne Hockey Club.

Relationship with Bridging

- (f) The Agent provided a \$20.0 million loan (the “**Loan**”) to the Debtors on a joint and several basis.
- (g) As security for payment by the Debtors of all debts and liabilities owed by them to the Agent, including the Loan:

- (i) the Canadian Debtors granted to the Agent a security interest in all of their presently owned and after acquired personal property, assets and undertakings;
 - (ii) the US Debtors granted to the Agent a security interest in all of their personal property (with certain assets identified as excluded assets); and
 - (iii) all of the shares of the Debtors have been pledged in favour of the Agent and the share certificates are located in Toronto, Ontario.
- (h) Upon the occurrence of an event of default under the security, the Agent may appoint a receiver over the property and assets of the Canadian Debtors and take steps to realize on the property of the US Debtors. An event of default includes the failure by the Debtors to pay when due any amount outstanding to the Agent.
- (i) Pursuant to a letter agreement dated July 1, 2019, the parties agreed to, among other things, extend the maturity date for the Loan to March 31, 2020.
- (j) Pursuant to a letter agreement dated November 22, 2019, the Debtors and the Agent agreed that, among other things:
- (i) Audible was to complete the sale of the shares in Swiss Entertainment by November 22, 2019 and pay to the Agent, on closing, the sum of \$5.0 million, along with \$596,720.88 to be added to an interest reserve; and
 - (ii) the Debtors would use their best efforts to sell the shares of PWH or the Winterhawks.

- (k) Audible failed to complete the sale of the shares in Swiss Entertainment by November 22, 2019. As of the date hereof, the closing still has not occurred.

Demand and Forbearance

- (l) The Debtors failed to make the monthly interest payment that was due to the Agent on February 29, 2020, which was an event of default under the Loan and security granted to the Agent.
- (m) On March 25, 2020, the Agent demanded payment of the Loan from the Debtors in the sum of \$20,550,804.92 as at March 31, 2020 for principal and interest, excluding fees and costs. The Agent also issued a Notice of its Intention to Enforce its Security to each of the Debtors pursuant to section 244(1) of the BIA.
- (n) Pursuant to a Forbearance Agreement dated April 4, 2020, the Debtors were required, among other things, to pay to the Agent by April 8, 2020 \$5.0 million from the sale of the shares in Swiss Entertainment, and the unpaid interest for the months of February and March 2020 in the amount of \$596,720.87.
- (o) The Debtors failed to make these payments to the Agent by April 8, 2020 or at all. Notwithstanding repeated assurances to the contrary, the sale of the shares in Swiss Entertainment has not been completed.
- (p) Pursuant to section 7.1 of the Forbearance Agreement, the Debtors agreed that, upon the occurrence of an event of default, they irrevocably consented to the private or Court appointment of a receiver in respect of all of the property and assets of each of the Debtors.

Just and Convenient to Appoint a Receiver

- (q) The Agent has demanded payment from the Debtors and sent the 244 BIA notices. The Debtors owe the Agent in excess of \$20.5 million. The Debtors have failed to complete a sale of the Winterhawks or the shares of Swiss Entertainment to repay their indebtedness to the Agent. The Debtors are in default under the Forbearance Agreement and have consented to the appointment of a receiver.
- (r) It is in the best interests of the Agent and the Debtors' creditors generally that a Receiver be appointed to take control over and realize on the Debtors' property and assets for the benefit of all of the Debtors' stakeholders.
- (s) It is just and convenient in the circumstances to appoint a Receiver.
- (t) The Agent proposes that KSV be appointed as Receiver. KSV has agreed to accept the appointment.
- (u) In the event that KSV is appointed as Receiver of the Debtors by the Court, the Agent will be requesting the Court grant an order:
 - (i) authorizing and empowering the Receiver to act as a foreign representative of this proceeding (the "**Foreign Representative**") for the purpose of having this proceeding recognized in a jurisdiction outside of Canada; and
 - (ii) authorizing the Receiver, as Foreign Representative, to apply to the United States Bankruptcy Court for relief pursuant to Chapter 15 of the *United States Bankruptcy Code*.
- (v) Section 243 and Part XIII of the BIA, and Section 101 of the CJA.

- (w) Rules 1.04(1), 1.05, 2.01, 2.03, 3.02, 16.08 and 38 of the *Rules of Civil Procedure*.
 - (x) Such further and other grounds as the lawyers may advise.
3. The following documentary evidence will be used at the hearing of the application:
- (a) the Affidavit of Lekan Temidire sworn April 28, 2020 and the exhibits thereto; and
 - (b) such further and other evidence as the lawyers may advise and this Honourable Court may permit.

April 28, 2020

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Lawyers for the Applicant

BRIDGING FINANCE INC., AS AGENT

-and-

AUDIBLE CAPITAL CORP. *et al*

Applicant

Respondents

Court File No.

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SUPERIOR COURT OF JUSTICE
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PROCEEDING COMMENCED AT
TORONTO

NOTICE OF APPLICATION

CHAITONS LLP

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Lawyers for the Applicant

TAB 2

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AFFIDAVIT OF LEKAN TEMIDIRE

(sworn April 28, 2020)

I, LEKAN TEMIDIRE, of the City of Toronto, in the Province of Ontario, MAKE OATH
AND SAY AS FOLLOWS:

1. I am Managing Director, Portfolio Management with Bridging Finance Inc. (“**Bridging**”). The facts set forth herein are within my personal knowledge or determined from the face of the documents attached hereto as exhibits and from information and advice provided to me by third parties. Where information contained in this affidavit is based on information I have received from other sources, I have stated the source of that information, and in all such cases I believe that information to be true.

2. This affidavit is sworn in support of the application by Bridging, as agent (the “**Agent**”), for the appointment of KSV Kofman Inc. (“**KSV**”) as receiver over the property, assets and undertakings of the Respondents (the “**Debtors**”) pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended.

3. All currency references in this affidavit are to Canadian dollars, unless otherwise noted.

BRIDGING

4. Bridging is the manager of Bridging Income Fund LP (formerly known as Sprott Bridging Income Fund LP) (“**BIF**”). BIF is an Ontario limited partnership established in November 2013. BIF is a retail investment vehicle whose limited partnership units are available to accredited investors by way of private placement. BIF and Bridging provide middle-market Canadian companies with alternative financing options to those offered by traditional lenders.

THE CANADIAN DEBTORS

Audible

5. The Respondent, Audible Capital Corp. (“**Audible**”), is a holding company wholly owned by William Michael Gallacher (“**Gallacher**”). A copy of Audible’s internally prepared financial statements as of December 31, 2019, which were provided to the Agent by Jacquie Shivak (“**Shivack**”), chief financial officer of the Canadian Debtors (as defined below), is attached hereto and marked as **Exhibit “A”**.

6. In a share purchase agreement described below, Gallacher is listed as residing at 96 Montgomery Road, Etobicoke, Ontario. I am informed by Sam Rappos, a lawyer with Chaitons

LLP (“**Chaitons**”), the Agent’s lawyers for this proceeding, that Gallacher is the registered owner of this property.

7. In connection with the financing provided to the Debtors by the Agent in December 2018, as described below, the Debtors provided to the Agent the corporate organization chart attached hereto and marked as **Exhibit “B”** (the “**Org. Chart**”).

8. The Org. Chart showed that Audible was the direct parent company of Avenir Sports Entertainment Ltd. (“**ASE Canada**”), Avenir Trading Corp. (“**Avenir Trading**”), Avenir Sports International Corporation (“**ASI**”), 1957932 Alberta Ltd. (“**1957**”) and 1892244 Alberta Ltd. (“**1892**”).

9. I have been advised by Mr. Rappos that on November 20, 2019, Audible Capital Corp., 1957 and ASI amalgamated to become Audible.

10. Each of Audible, ASE Canada, Avenir Trading and 1892 (collectively, the “**Canadian Debtors**”) is a company incorporated in the Province of Alberta. Gallacher is the sole director of each of the Canadian Debtors. The registered office for all of the Canadian Debtors (other than ASE Canada) is the Calgary office of Burnet, Duckworth and Palmer LLP. The registered office for ASE Canada is the Calgary office of Greenfields Law. Collectively attached hereto and marked as **Exhibit “C”** are copies of Corporate Registration System search results for each of the Canadian Debtors obtained on April 20, 2020.

11. As set out below, all of Gallacher’s shares in Audible, and all of Audible’s shares in the other Canadian Debtors, have been pledged to the Agent and the share certificates are located in Bridging’s office in Toronto.

12. In addition to Audible's ownership of the other Canadian Debtors, it has provided loans in the aggregate amount of CHF (Swiss Francs) 9.38 million (approximately CDN\$13.595 million¹) to Swiss Entertainment Company SA ("**Swiss Entertainment**"), a Switzerland corporation. Swiss Entertainment is the parent company for three Switzerland corporations, Lausanne Hockey Club SA ("**LHC**"), Restostep SA, and Lausanne Arena SA ("**Arena Co.**"). LHC is the owner of the Lausanne Hockey Club, a hockey team based in the city of Lausanne, Switzerland that competes in the National League, the top tier of Swiss hockey. Arena Co. is the owner of the Vaudoise Arena, the home venue for the Lausanne Hockey Club, which opened in September 2019.

13. As set out in the Org. Chart, Ken Stickney ("**Stickney**") was the sole shareholder of Swiss Entertainment. 1957 had provided a CHF 3.1 million loan (approximately CDN\$4.493 million) to Stickney and was party to a share option agreement dated April 7, 2016, pursuant to which 1957 (now Audible as a result of the amalgamation) has an option to purchase Stickney's shares in Swiss Entertainment. I am unaware of whether Audible has exercised the option to purchase to date.

Avenir Trading

14. Avenir Trading's only source of revenue in 2019 was fees for "management consulting" and it had limited assets other than intercompany receivables, as confirmed in the internally prepared financial statements as of December 31, 2019 provided to the Agent by Shivak, chief financial officer of the Canadian Debtors. A copy of the financial statements is attached hereto and marked as **Exhibit "D"**.

¹ Conversion rate of 1 Swiss Franc to 1.44945 Canadian Dollar as of April 25, 2020 from www.xe.com.

1892

15. 1892's only asset is a loan due from its shareholder, and it had no revenue in 2019 and less than \$200 in financing expenses, as confirmed in the internally prepared financial statements as of December 31, 2019 provided to the Agent by Shivack. A copy of the financial statements is attached hereto and marked as **Exhibit "E"**

ASE Canada

16. ASE Canada is the parent company of the Respondent, Avenir Sports Entertainment Corp. ("ASE US"), a Nevada corporation. ASE Canada generated no revenue in 2019 and its primary asset is its ownership of ASE US, as confirmed in the internally prepared financial statements as of December 31, 2019 provided to the Agent by Shivack. A copy of the financial statements is attached hereto and marked as **Exhibit "F"**.

THE US DEBTORS

17. Based on the information that has been provided to the Agent by Gallacher and Shivack, ASE US' sole asset is its shares in its wholly owned subsidiary, Portland Winter Hawks, Inc. ("PWH" and together with ASE US, the "**US Debtors**"), an Oregon corporation. A copy of a Nevada Certificate of Existence with Status in Good Standing for ASE US obtained on April 23, 2020 is attached hereto and marked as **Exhibit "G"**.

18. PWH is the owner of the Portland Winterhawks (the "**Winterhawks**"), a junior ice hockey team based in Portland, Oregon that plays in the Western Hockey League (the "**WHL**"). The WHL is a major junior hockey league based in Western Canada and the Northwestern United States. The WHL is one of three leagues that constitute the Canadian Hockey League, the highest level of junior hockey in Canada.

19. The Winterhawks split their home games between two arenas, the Veterans Memorial Coliseum and the Moda Center. PWH is party, as lessee, to lease agreements for both arenas.

20. As a result of the Covid-19 global pandemic, on March 18, 2020, the WHL cancelled the remainder of the 2019-2020 regular season. At that time, the Winterhawks were the top ranked team in the WHL.

21. Based on my review of financial statements for PWH as of May 31, 2019 provided to me by Doug Piper, president of PWH, PWH has a Canadian bank account with Royal Bank of Canada (“RBC”) that had approximately \$146,000 in the account as of that date. A copy of the financial statements is attached hereto and marked as **Confidential Exhibit “A”**.

22. On April 23, 2020, Mr. Piper confirmed to me via e-mail that PWH continues to maintain its RBC bank account in Canada. A copy of that e-mail is attached hereto and marked as **Exhibit “H”**.

RELATIONSHIP WITH BRIDGING

Loan and Security

23. In December 2018, the Agent was contacted by an investment firm with respect to a potential lending opportunity with the Debtors. The Debtors were seeking a short term secured loan of \$20.0 million to support a few initiatives, including exercising share options in an existing subsidiary, repaying certain secured indebtedness, capital for private equity investments, and the buildout of a new arena for the Lausanne Hockey Club.

24. The Agent agreed to provide a \$20.0 million loan (the “**Loan**”) to the Debtors, as joint and several borrowers, pursuant to the terms and conditions of a promissory note (the “**Promissory Note**”) dated December 14, 2018, a copy of which is attached hereto and marked as **Exhibit “I”**.

25. The Canadian Debtors also granted to the Agent a demand debenture dated December 14, 2018 (the “**Demand Debenture**”), a copy of which is attached hereto and marked as **Exhibit “J”**.

26. As set out in the Promissory Note and the Demand Debenture, the Loan is repayable on the earlier of demand and December 14, 2019.

27. As security for payment by the Debtors of all debts and liabilities owed by them to the Agent, including the Loan:

- (a) the Canadian Debtors granted to the Agent, in the Demand Debenture, a security interest in all of their presently owned and after acquired personal property, assets and undertakings; and
- (b) the US Debtors granted to the Agent a security interest in all of their personal property (with certain assets identified as excluded assets) pursuant to a security agreement dated December 14, 2018 (the “**Security Agreement**”), a copy of which is attached hereto and marked as **Exhibit “K”**.

28. Pursuant to section 5.3 of the Demand Debenture, upon the occurrence of an event of default, the Agent may appoint a receiver over the property and assets of the Canadian Debtors. An event of default includes the failure by the Canadian Debtors to pay when due any amount outstanding to the Agent.

29. In addition to the Demand Debenture, as security for the Loan, the Debtors granted, among other things, the following security documents in favour of the Agent (together with the Demand Debenture and the Security Agreement, the “**Security**”):

- (a) a Pledge and Security Agreement dated December 14, 2018 granted by Audible, wherein it pledged and granted a security interest to the Agent in all of the shares it holds in the other Canadian Debtors, a copy of which is attached hereto and marked as **Exhibit “L”**;
- (b) a Pledge and Security Agreement dated December 14, 2018 granted by ASE Canada, wherein it pledged and granted a security interest to the Agent in all of its shares in ASE US, a copy of which is attached hereto and marked as **Exhibit “M”**; and
- (c) an Equity Interest Pledge Agreement dated December 14, 2018 granted by ASE US, wherein it pledged and granted a security interest to the Agent in all of its shares in PWH, a copy of which is attached hereto and marked as **Exhibit “N”**.

30. Gallacher has also granted an unlimited guarantee of the Loan in favour of the Agent dated December 14, 2018 and pledged and granted a security interest to the Agent in all of his shares in Audible and certain other companies.

31. As set out in a letter dated December 12, 2018, the WHL consented to PWH granting the Agent a security interest over its property, including the Winterhawks franchise, and the share pledges granted by ASE US, ASE Canada, Audible and Gallacher in favour of the Agent. A copy of the letter is attached hereto and marked as **Exhibit “O”**.

32. On December 14, 2018, the Agent registered a financing statement under the Alberta PPSA against each of the Canadian Debtors to perfect its security interest in all of the Canadian Debtors' present and after acquired personal property. Collectively attached hereto and marked as **Exhibit "P"** are copies of Alberta PPSA search results for the Canadian Debtors obtained on April 20, 2020.

33. On December 14, 2018, the Agent registered a UCC financing statement against ASE US in the State of Nevada with respect to all assets now owned or thereafter acquired by ASE US. A copy of a Nevada UCC search result for ASE US will be provided as an exhibit in a subsequent affidavit, as the search result was not available at the time of the swearing of this affidavit.

34. On December 14, 2018, the Agent registered a UCC financing statement against PWH in the State of Oregon with respect to all assets now owned or thereafter acquired by PWH. A copy of an Oregon UCC search result for PWH obtained on April 23, 2020 is attached hereto and marked as **Exhibit "Q"**.

35. All of the share certificates pledged by Gallacher, Audible and ASE US in favour of the Agent are located in Bridging's office in Toronto.

Amendments to the Loan

36. Pursuant to a letter agreement dated July 1, 2019 between the Debtors and the Agent, a copy of which is attached hereto and marked as **Exhibit "R"**, the parties agreed to, among other things, extend the maturity date for the Loan to March 31, 2020.

37. In November 2019, Gallacher informed me that he wished to sell the shares in Swiss Entertainment and requested that the Agent consent to the transaction, as the shares are subject to

the Agent's security interest. Additionally, Gallacher indicated that he would be soliciting interest for the sale of the Winterhawks.

38. Pursuant to a letter agreement dated November 22, 2019, a copy of which is attached hereto and marked as **Exhibit "S"**, the Debtors and the Agent agreed that, among other things:

- (a) Audible was to complete the sale of its shares in Swiss Entertainment by November 22, 2019 and pay to the Agent, on closing, the sum of \$5.0 million, along with \$596,720.88 to be added to an interest reserve; and
- (b) the Debtors would use their best efforts to sell the shares of PWH or the Winterhawks, with a formal sale process to start by January 6, 2020.

39. Audible failed to complete the sale of its shares in Swiss Entertainment by November 22, 2019. I was advised by Gallacher that closing was delayed as a result of the need to coordinate among the lawyers for the three purchasers. As of the date hereof, the closing still has not occurred.

DEMAND AND FORBEARANCE

40. The Debtors failed to make the monthly interest payment that was due to the Agent on February 29, 2020, which was an event of default under the Promissory Note, the Demand Debenture and the Security Agreement.

41. As a result, on March 25, 2020, the Agent, through Chaitons, issued a demand for payment of the Loan from the Debtors in the sum of \$20,550,804.92 as at March 31, 2020 for principal and interest, excluding fees and costs. The Agent also issued a Notice of its Intention to Enforce its Security to each of the Debtors pursuant to section 244(1) of the BIA (collectively, the "**NITES**"). Attached hereto and marked as **Exhibit "T"** is a copy of the demand letter and NITES.

42. Following the issuance of the demand letter and NITES, the Agent and the Debtors entered into negotiations with respect to the terms of a potential forbearance. In connection with those discussions, Gallacher represented to me that the sale of the Swiss Entertainment shares would be closing imminently.

43. Pursuant to a forbearance agreement dated April 4, 2020 (the “**Forbearance Agreement**”), a copy of which is attached hereto and marked as **Exhibit “U”**, the Debtors, among other things:

- (a) acknowledged and confirmed that the amount demanded was unconditionally owing to the Agent and that they did not dispute the amount;
- (b) acknowledged and agreed that the Promissory Note and the Security were valid, binding and enforceable, and that they are in default of their obligations under the Promissory Note and the Security; and
- (c) acknowledged receipt of the demand letter and the NITES and confirmed that they were valid and effective, that the time given by the Agent for payment was reasonable, that they would not contest the demand, the NITES, or the reasonableness of the time given for payment.

44. The Agent agreed to take no steps to enforce the Security until April 30, 2020, provided there was no event of default under the Forbearance Agreement. It is an event of default under the Forbearance Agreement if the Debtors failed to satisfy their obligations under the agreement. The Debtors had the benefit of independent legal counsel with respect to the Forbearance Agreement.

45. Under the Forbearance Agreement, the Debtors were required, among other things, to pay to the Agent by April 8, 2020 \$5.0 million from the sale of Audible’s shares in Swiss

Entertainment, and the unpaid interest for the months of February and March 2020 in the amount of \$596,720.87.

46. The Debtors failed to make these payments to the Agent by April 8, 2020.

47. On April 8, 2020, I attended a conference call with Gallacher, Shivak, Reto Arpagaus (“**Reto**”), the Swiss lawyer for Audible, and Harvey Chaiton of Chaitons. During the call, Gallacher assured me that the sale transaction was in the process of closing and the \$5.0 million would be paid to the Agent within days.

48. Following the conference call, Reto sent an email indicating that the transaction was scheduled to close on April 9, 2020. A copy of Reto’s e-mail dated April 8, 2020 is attached hereto and marked as **Exhibit “V”**.

49. The sale transaction did not close on April 9, 2020.

50. On April 9, 2020, in an effort to satisfy myself on the truth of the representations related to the sale transaction, I requested a copy of the share purchase agreement, which had not been provided despite my previous requests, a copy of the closing agenda, and correspondence from the purchasers’ legal counsel confirming the closing of the transaction and that funds are to be sent. A copy of my e-mail is attached hereto and marked as **Exhibit “W”**.

51. On April 10, 2020, Reto sent an e-mail with an unexecuted copy of the share purchase agreement. In his e-mail, Reto sets out the remaining steps to close the transaction and indicated that the parties agreed to commence the closing process the week of April 14, 2020. A copy of the e-mail is attached hereto and marked as **Exhibit “X”**.

52. In response, also on April 10, 2020, Mr. Chaiton informed Reto that unless the transaction closed and the \$5.0 million was wired to the Agent by 12:00 pm EST on April 15, 2020, the Agent would take steps to enforce its security. A copy of the e-mail dated April 10, 2020 is attached hereto and marked as **Exhibit “Y”**.

53. I have yet to receive confirmation that the closing has commenced or has taken place, and the Agent has not received the funds that were to be paid to it by April 8, 2020.

54. I have never been provided with an executed copy of the share purchase agreement and confirmation from counsel to the purchasers of their intention and ability to close the transaction, despite my requests.

55. Pursuant to section 7.1 of the Forbearance Agreement, the Debtors agreed that, upon the occurrence of an event of default, they irrevocably consented to the private or Court appointment of a receiver in respect of all of the property and assets of each of the Debtors.

OTHER SECURED CREDITORS

56. I am advised by Mr. Rappos that the Agent has:

- (a) the only registrations against the Canadian Debtors (other than Audible) under the Alberta PPSA; and
- (b) the only registration against PWH under the UCC in the State of Oregon.

57. With respect to Audible, in addition to the Agent’s registrations, there are financing statements registered under the Alberta PPSA in favour of the following parties:

- (a) Bank of Montreal (“**BMO**”), with respect to all of Audible’s present and after acquired property; and
- (b) Ford Credit Canada Leasing, with respect to a 2018 Ford Escape.

58. Pursuant to a postponement agreement dated December 17, 2018, BMO agreed to fully postpone and subordinate its security from Audible in favour of the security Audible has granted to the Agent. A copy of the agreement is attached hereto and marked as **Exhibit “Z”**.

JUST AND CONVENIENT TO APPOINT A RECEIVER

59. The Agent has demanded payment from the Debtors and sent the NITES. The Debtors owe the Agent in excess of \$20.5 million. The Debtors have failed to complete a sale of the Winterhawks or the shares of Swiss Entertainment to repay their indebtedness to the Agent. The Debtors are in default under the Forbearance Agreement and have consented to the appointment of a receiver.

60. In these circumstances, I believe it is in the best interests of the Agent and the Debtors’ creditors generally that a receiver be appointed to take control over and realize on the Debtors’ property for the benefit of the Agent and all other stakeholders.

61. Accordingly, it is just and convenient in the circumstances to appoint a receiver.

62. The Agent proposes that KSV be appointed as receiver. KSV has agreed to accept the appointment.

63. In the event that KSV is appointed as receiver of the Debtors by the Court (the “**Receiver**”), the Agent will be requesting the Court grant an order:

- (a) authorizing and empowering the Receiver to act as a foreign representative of this proceeding (the “**Foreign Representative**”) for the purpose of having this proceeding recognized in a jurisdiction outside of Canada; and
- (b) authorizing the Receiver, as Foreign Representative, to apply to the United States Bankruptcy Court for relief pursuant to Chapter 15 of the *United States Bankruptcy Code*.

64. This affidavit is sworn in support of the Agent’s application for the appointment of a receiver and for no other or improper purpose.

SWORN BEFORE ME at the City of
Toronto, in the Province of Ontario on
April 28, 2020



Commissioner for Taking Affidavits
(or as may be)

}



LEKAN TEMIDIRE

Harvey Chaiton

**THIS IS EXHIBIT "A" TO
THE AFFIDAVIT OF LEKAN TEMIDIRE
SWORN BEFORE ME THIS 28TH
DAY OF APRIL, 2020**



A Commissioner etc.

AUDIBLE CAPITAL CORP.**BALANCE SHEET****As at Dec 31, 2019***(prepared without audit for internal purposes only)*

ASSETS:	Cost
<i>Cash</i>	-\$ 125,431
<i>Accts Rec</i>	\$ 1,571,086
<i>Broker Accounts</i>	\$ 31,122
<i>Investments</i>	\$ 31,321,481
<i>Long Term Investments</i>	\$ 9,524,672
<i>Intercompany</i>	\$ 13,269,694
<i>Fixed Assets</i>	\$ 3,493,329
<i>Related Party Investments</i>	\$ 10,230,091
Lausanne Hockey Club	\$ 14,833,166
Portland Winterhawks	\$ 2,587,166
TOTAL ASSETS	<u>\$ 86,736,376</u>
LIABILITIES AND EQUITY	
<i>Current Liabilities:</i>	
Accounts Payable	\$ 6,500,148
Demand Grid Promissory Note	\$ 19,999,986
<i>Shareholder Loan</i>	\$ 8,365,077
<i>Note Payable</i>	\$ 45,302,354
TOTAL LIABILITIES	<u>\$ 80,167,564</u>
<i>Shareholder's Equity</i>	
Share Capital	\$ 2,993,356
Retained Earnings	\$ 6,700,823
Deficit/Profit	-\$ 3,125,367
TOTAL LIABILITIES AND EQUITY	<u>\$ 86,736,376</u>

Audible Capital Corp**Income Statement****For the Period ended December 31, 2019*****(prepared without audit for internal purposes only)*****REVENUE**

<i>Gain on Sale of Investments</i>	\$ 4,373,495
<i>Interest Income</i>	\$ 576,993
<i>Commitment Fee</i>	\$ 105,378

TOTAL REVENUE	<u>\$ 5,055,865</u>
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EXPENSES

<i>Operating Expenses</i>	\$ 4,531,638
<i>Financing Expenses</i>	\$ 3,345,287

TOTAL EXPENSES	<u>\$ 7,876,925</u>
-----------------------	----------------------------

NI before depreciation	<u><u>-\$ 2,821,060</u></u>
------------------------	-----------------------------

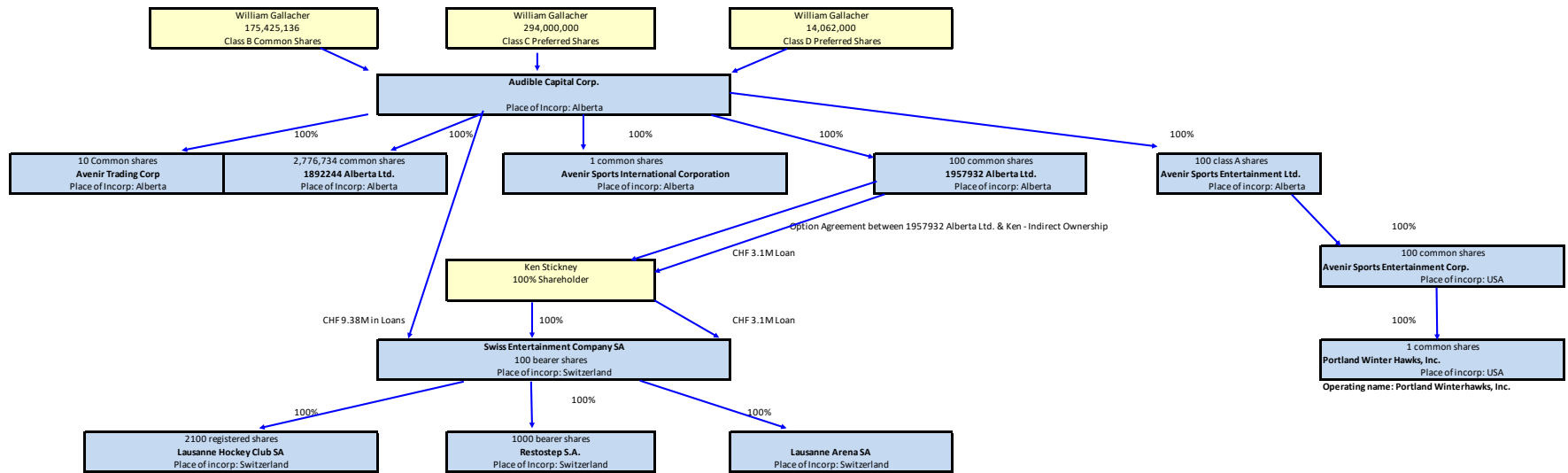
Depreciation	\$ 304,307
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NET INCOME	<u><u>-\$ 3,125,367</u></u>
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**THIS IS EXHIBIT "B" TO
THE AFFIDAVIT OF LEKAN TEMIDIRE
SWORN BEFORE ME THIS 28TH
DAY OF APRIL, 2020**



A Commissioner etc.

Audible Capital Corp.

**THIS IS EXHIBIT "C" TO
THE AFFIDAVIT OF LEKAN TEMIDIRE
SWORN BEFORE ME THIS 28TH
DAY OF APRIL, 2020**



A Commissioner etc.

Government of Alberta ■ Corporation/Non-Profit Search

Corporate Registration System

Date of Search: 2020/04/20
Time of Search: 08:18 AM
Service Request Number: 33319026
Customer Reference Number: 02889004-EDD3_5_977990

Corporate Access Number: 2022300707

Business Number:

Legal Entity Name: AUDIBLE CAPITAL CORP.

Legal Entity Status: Active

Alberta Corporation Type: Named Alberta Corporation

Method of Registration: Amalgamation

Registration Date: 2019/11/20 YYYY/MM/DD

Registered Office:

Street: 2400, 525 - 8 AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P1G1

Records Address:

Street: 2400, 525 - 8 AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P1G1

Email Address: CORES@BDPLAW.COM

Directors:

Last Name: GALLACHER
First Name: WILLIAM
Street/Box Number: 300, 808 - 1 STREET SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P1M9

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: SEE SCHEDULE "A" ATTACHED HERETO
Share Transfers Restrictions: SEE SCHEDULE "B" ATTACHED HERETO
Min Number Of Directors: 1
Max Number Of Directors: 11
Business Restricted To: NONE
Business Restricted From: NONE
Other Provisions: SEE SCHEDULE "C" ATTACHED HERETO

Other Information:

Amalgamation Predecessors:

Corporate Access Number	Legal Entity Name
2019579321	1957932 ALBERTA LTD.
2020406704	AUDIBLE CAPITAL CORP.
2018922514	AVENIR SPORTS INTERNATIONAL CORPORATION

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2019/11/20	Amalgamate Alberta Corporation

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Statutory Declaration	10000907115605377	2019/11/20
Restrictions on Share Transfers	ELECTRONIC	2019/11/20
Other Rules or Provisions	ELECTRONIC	2019/11/20
Shares in Series	ELECTRONIC	2019/11/20
Share Structure	ELECTRONIC	2019/11/20

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.





Government of Alberta ■ Corporation/Non-Profit Search

Corporate Registration System

Date of Search: 2020/04/20
 Time of Search: 08:19 AM
 Service Request Number: 33319028
 Customer Reference Number: 02889007-EDD3_5_977994

Corporate Access Number: 208337212

Business Number:

Legal Entity Name: AVENIR TRADING CORP.

Name History:

Previous Legal Entity Name	Date of Name Change (YYYY/MM/DD)
AVENIR HOLDINGS CORPORATION	2002/03/21

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Registration Date: 1999/06/04 YYYY/MM/DD
Date of Last Status Change: 2001/09/04 YYYY/MM/DD

Registered Office:

Street: 2400, 525 - 8 AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P1G1

Records Address:

Street: SUITE 300, 808 - 1 STREET S.W.
City: CALGARY
Province: ALBERTA
Postal Code: T2P1M9

Email Address: CORES@BDPLAW.COM

Directors:

Last Name: GALLACHER
First Name: WILLIAM
Street/Box Number: 300, 808 - 1 STREET S.W.
City: CALGARY

Province: ALBERTA
Postal Code: T2P1M9

Voting Shareholders:

Legal Entity Name: AUDIBLE CAPITAL CORP.
Corporate Access Number: 2019181854
Street: 300, 808 - 1 STREET SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P1M9
Percent Of Voting Shares: 100

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: THE ATTACHED SCHEDULE OF SHARE CAPITAL IS INCORPORATED INTO AND FORMS PART OF THIS FORM.

Share Transfers Restrictions: THE ATTACHED SCHEDULE OF RESTRICTIONS ON SHARE TRANSFER IS INCORPORATED INTO AND FORMS PART OF THIS FORM.

Min Number Of Directors: 1

Max Number Of Directors: 7

Business Restricted To: NONE

Business Restricted From: NONE

Other Provisions: THE ATTACHED SCHEDULE OF OTHER PROVISIONS IS INCORPORATED INTO AND FORMS PART OF THIS FORM.

Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2019	2019/08/26

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
1999/06/04	Incorporate Alberta Corporation
2001/08/02	Status Changed to Start for Failure to File Annual Returns
2002/03/21	Name Change Alberta Corporation
2004/07/02	Change Director / Shareholder
2011/10/06	Change Address
2019/08/26	Enter Annual Returns for Alberta and Extra-Provincial Corp.

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	1999/06/04
Restrictions on Share Transfers	ELECTRONIC	1999/06/04
Other Rules or Provisions	ELECTRONIC	1999/06/04

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



Government of Alberta ■ Corporation/Non-Profit Search

Corporate Registration System

Date of Search: 2020/04/20
Time of Search: 08:19 AM
Service Request Number: 33319033
Customer Reference Number: 02889014-EDD3_5_978000

Corporate Access Number: 2018922449
Business Number: 820143360
Legal Entity Name: 1892244 ALBERTA LTD.

Legal Entity Status: Active
Alberta Corporation Type: Numbered Alberta Corporation
Registration Date: 2015/04/22 YYYY/MM/DD

Registered Office:

Street: 2400, 525 - 8 AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P1G1

Records Address:

Street: 2400, 525 - 8 AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P1G1

Email Address: CORES@BDPLAW.COM

Directors:

Last Name: GALLACHER
First Name: WILLIAM
Street/Box Number: 300, 808 - 1 STREET SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P1M9

Voting Shareholders:

Legal Entity Name: AUDIBLE CAPITAL CORP.
Corporate Access Number: 2020406704
Street: 300, 808 - 1ST STREET SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P1M9
Percent Of Voting Shares: 100

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: SEE SCHEDULE "A" ATTACHED HERETO
Share Transfers Restrictions: SEE SCHEDULE "B" ATTACHED HERETO
Min Number Of Directors: 1
Max Number Of Directors: 11
Business Restricted To: NONE
Business Restricted From: NONE
Other Provisions: SEE SCHEDULE "C" ATTACHED HERETO

Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2019	2019/08/26

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2015/04/22	Incorporate Alberta Corporation
2019/08/26	Enter Annual Returns for Alberta and Extra-Provincial Corp.
2020/02/22	Update BN

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Restrictions on Share Transfers	ELECTRONIC	2015/04/22

Other Rules or Provisions	ELECTRONIC	2015/04/22
Share Structure	ELECTRONIC	2015/04/22

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



Government of Alberta ■ Corporation/Non-Profit Search

Corporate Registration System

Date of Search: 2020/04/20
Time of Search: 08:18 AM
Service Request Number: 33319027
Customer Reference Number: 02889006-EDD3_5_977992

Corporate Access Number: 2014320168
Business Number: 811598291
Legal Entity Name: AVENIR SPORTS ENTERTAINMENT LTD.

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Registration Date: 2008/10/14 YYYY/MM/DD

Registered Office:

Street: SUITE 120, 4838 RICHARD ROAD SW
City: CALGARY
Province: ALBERTA
Postal Code: T3E6L1

Records Address:

Street: SUITE 120, 4838 RICHARD ROAD SW
City: CALGARY
Province: ALBERTA
Postal Code: T3E6L1

Email Address: CIARA@GREENFIELDS-LAW.COM

Directors:

Last Name: GALLACHER
First Name: WILLIAM
Middle Name: M
Street/Box Number: 300, 808 - 1 STREET SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P1M9

Voting Shareholders:

Legal Entity Name: AUDIBLE CAPITAL CORP.
Corporate Access Number: 2020406704
Street: 2400, 525 - 8 AVENUE S.W.
City: CALGARY
Province: ALBERTA
Postal Code: T2P1G1
Percent Of Voting Shares: 100

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: THE ATTACHED SCHEDULE IS INCORPORATED INTO AND FORMS PART OF THE ARTICLES OF THE CORPORATION
Share Transfers Restrictions: NO SHARES OF THE CORPORATION SHALL BE TRANSFERRED TO ANY PERSON WITHOUT THE APPROVAL OF THE BOARD OF DIRECTORS BY RESOLUTION
Min Number Of Directors: 1
Max Number Of Directors: 9
Business Restricted To: NONE
Business Restricted From: NONE
Other Provisions: THE ATTACHED SCHEDULE IS INCORPORATED INTO AND FORMS PART OF THE ARTICLES OF THE CORPORATION

Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2019	2020/01/21

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2008/10/14	Incorporate Alberta Corporation
2016/12/20	Change Address

2020/01/21	Enter Annual Returns for Alberta and Extra-Provincial Corp.
2020/02/19	Update BN

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Other Rules or Provisions	ELECTRONIC	2008/10/14
Share Structure	ELECTRONIC	2008/10/14

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



**THIS IS EXHIBIT "D" TO
THE AFFIDAVIT OF LEKAN TEMIDIRE
SWORN BEFORE ME THIS 28TH
DAY OF APRIL, 2020**



A Commissioner etc.

AVENIR TRADING CORP**BALANCE SHEET****As at December 31, 2019***(prepared without audit for internal purposes only)*

ASSETS:	Cost
<i>Current Assets:</i>	
Cash	\$ 9,027
Accts Receivable	\$ 91
Interactive Brokers	\$ 7,547
 <i>Capital Assets:</i>	 \$ 6,165
 <i>Intercompany</i>	 \$ 183,387
 TOTAL ASSETS	 <u>\$ 206,218</u>
 LIABILITIES AND EQUITY	
<i>Current Liabilities:</i>	
Accounts Payable	\$ 8,366
 <i>Due to Shareholder</i>	 \$ 2,104,691
 TOTAL LIABILITIES	 <u>\$ 2,113,057</u>
 <i>Shareholder's Equity</i>	
Share Capital	\$ 10
Retained Earnings	-\$ 1,291,062
Deficit/Profit	-\$ 615,787
 TOTAL LIABILITIES AND EQUITY	 <u>\$ 206,218</u>

NET WORTH

AVENIR TRADING CORP**Income Statement****For the Period ended December 31, 2019***(prepared without audit for internal purposes only)***REVENUE***Management Consulting* \$ 180,000**TOTAL REVENUE** \$ 180,000**EXPENSES***Business Expenses* \$ 7,461*Financing Expenses* \$ 413*Operating Expenses* \$ 787,913**TOTAL EXPENSES** \$ 795,787**NET INCOME** **-\$ 615,787**

**THIS IS EXHIBIT “E” TO
THE AFFIDAVIT OF LEKAN TEMIDIRE
SWORN BEFORE ME THIS 28TH
DAY OF APRIL, 2020**



A Commissioner etc.

1892244 Alberta Ltd

BALANCE SHEET

As at Dec 31, 2019

(prepared without audit for internal purposes only)

ASSETS:	Cost
Cash	\$ (4)
Due from Shareholder	\$ 1,726,242
TOTAL ASSETS	<u>\$ 1,726,238</u>
LIABILITIES AND EQUITY	
<i>Current Liabilities:</i>	
Intercompany	\$ 183,387
TOTAL LIABILITIES	<u>\$ 183,387</u>
<i>Shareholder's Equity</i>	
Retained Earnings	-\$ 1,223,586
Capital Stock	\$ 2,766,635
Deficit/Profit	-\$ 198
TOTAL LIABILITIES AND EQUITY	<u>\$ 1,726,238</u>

1892244 Alberta Ltd.

Income Statement

For the Period ended December 31, 2019

(prepared without audit for internal purposes only)

EXPENSES

<i>Financing Expenses</i>	\$	198
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TOTAL EXPENSES	<u>\$</u>	<u>198</u>
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NI	<u><u>-\$</u></u>	<u><u>198</u></u>
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**THIS IS EXHIBIT “F” TO
THE AFFIDAVIT OF LEKAN TEMIDIRE
SWORN BEFORE ME THIS 28TH
DAY OF APRIL, 2020**



A Commissioner etc.

AVENIR SPORTS ENTERTAINMENT LTD.**BALANCE SHEET****As at December 31, 2019****(prepared without audit for internal purposes only)**

ASSETS:	Cost
<i>Current Assets:</i>	
Accts Rec	\$ 190,670
<i>Intercompany</i>	\$ 704,175
<i>Investment in ASE-USA</i>	\$ 24,670,283
TOTAL ASSETS	<u>\$ 25,565,128</u>
LIABILITIES AND EQUITY	
<i>Current Liabilities:</i>	
Accounts Payable	\$ 200,666
Due to Shareholder	\$ 19,310,811
TOTAL LIABILITIES	<u>\$ 19,511,477</u>
<i>Shareholder's Equity</i>	
Share Capital	\$ 7,463,446
Retained Earnings	-\$ 1,284,472
Deficit/Profit	-\$ 122,323
TOTAL LIABILITIES AND EQUITY	<u>\$ 25,568,128</u>

AVENIR SPORTS ENTERTAINMENT LTD.**Income Statement****For the Period ended December 31, 2019***(prepared without audit for internal purposes only)***EXPENSES**

G&A	\$ 51,838
Professional Fees	\$ 63,367
Travel	\$ 7,118

TOTAL EXPENSES	<u>\$ 122,323</u>
-----------------------	--------------------------

NET INCOME	<u><u>-\$ 122,323</u></u>
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**THIS IS EXHIBIT "G" TO
THE AFFIDAVIT OF LEKAN TEMIDIRE
SWORN BEFORE ME THIS 28TH
DAY OF APRIL, 2020**



A Commissioner etc.

SECRETARY OF STATE

**CERTIFICATE OF EXISTENCE
WITH STATUS IN GOOD STANDING**

I, Barbara K. Cegavske, the duly qualified and elected Nevada Secretary of State, do hereby certify that I am, by the laws of said State, the custodian of the records relating to filings by corporations, non-profit corporations, corporations sole, limited-liability companies, limited partnerships, limited-liability partnerships and business trusts pursuant to Title 7 of the Nevada Revised Statutes which are either presently in a status of good standing or were in good standing for a time period subsequent of 1976 and am the proper officer to execute this certificate.

I further certify that the records of the Nevada Secretary of State, at the date of this certificate, evidence, **AVENIR SPORTS ENTERTAINMENT CORP.**, as a DOMESTIC CORPORATION (78) duly organized under the laws of Nevada and existing under and by virtue of the laws of the State of Nevada since 11/26/2008, and is in good standing in this state.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of State, at my office on 04/23/2020.

BARBARA K. CEGAVSKE
Secretary of State

Certificate Number: B20200423743964

You may verify this certificate
online at <http://www.nvsos.gov>

**THIS IS EXHIBIT “H” TO
THE AFFIDAVIT OF LEKAN TEMIDIRE
SWORN BEFORE ME THIS 28TH
DAY OF APRIL, 2020**



A Commissioner etc.

Sam P. Rappos

From: Harvey G. Chaiton
Sent: Saturday, April 25, 2020 11:32 AM
To: Sam P. Rappos
Subject: Fwd: Winterhawks & LHC - Follow Up Questions

Categories: DM, #32142 : 4767030

Sent from my iPhone

Harvey G. Chaiton
 Partner | Chaitons LLP | Tel: 416.218.1129

Begin forwarded message:

From: Lekan Temidire <Itemidire@bridgingfinance.ca>
Date: April 23, 2020 at 6:26:58 PM EDT
To: "Harvey G. Chaiton" <Harvey@chaitons.com>
Cc: "Philip L. Taylor" <Philip@chaitons.com>, Sean Zweig <ZweigS@bennettjones.com>, Noah Goldstein <ngoldstein@ksvadvisory.com>
Subject: Fwd: Winterhawks & LHC - Follow Up Questions

FYI -

Lekan Temidire, MFIN, CFA

Managing Director, Portfolio Management | **Bridging Finance Inc.**

[77 King St W, Suite 2925](#) | Toronto | ON | M5K 1K7

T: [\(416\) 309-8560](tel:4163098560) | C: [\(647\) 473-6114](tel:6474736114)

Visit us on the web www.bridgingfinance.ca

Canada's Premier Private Debt Provider

Begin forwarded message:

From: Doug Piper <doug@winterhawks.com>
Date: April 23, 2020 at 6:26:06 PM EDT
To: Lekan Temidire <Itemidire@bridgingfinance.ca>
Cc: Jacquie Shivak <jshivak@audiblecapital.com>
Subject: Re: Winterhawks & LHC - Follow Up Questions

Hi:

I misspoke. RBC is where we have our CDN account. BOTW has only small amounts we use for convenience.

Doug

Sent from my iPhone

On Apr 23, 2020, at 3:15 PM, Lekan Temidire
<ltemidire@bridgingfinance.ca> wrote:

Doug,

Assuming the RBC account listed in the Balance Sheet is also being used as well? I appreciate it.

Thank You

Lekan Temidire, MFIN, CFA

Managing Director, Portfolio Management | **Bridging Finance Inc.**

77 King St W, Suite 2925 | Toronto | ON | M5K 1K7

T: (416) 309-8560 | C: (647) 473-6114

Visit us on the web www.bridgingfinance.ca

Canada's Premier Private Debt Provider

From: Doug Piper <doug@winterhawks.com>

Sent: April 23, 2020 5:28 PM

To: Lekan Temidire <ltemidire@bridgingfinance.ca>

Cc: Jacquie Shivak <jshivak@audiblecapital.com>

Subject: Re: Winterhawks & LHC - Follow Up Questions

Lekan:

As for Portland, I will go back through your email from yesterday to see what's left for me to provide.

You asked about banks. Our US account is at Banner Bank and our CDN account is at Bank of the West. Our bus loan is with Bank of America.

Thanks, Doug

Sent from my iPhone

**THIS IS EXHIBIT "I" TO
THE AFFIDAVIT OF LEKAN TEMIDIRE
SWORN BEFORE ME THIS 28TH
DAY OF APRIL, 2020**



A Commissioner etc.



DEMAND GRID PROMISSORY NOTE

Date: December 14, 2018

FOR VALUE RECEIVED the undersigned hereby unconditionally jointly and severally promise to pay, on the earlier of (i) DEMAND and (ii) December 14, 2019, to Bridging Finance Inc., as agent (the "**Lender**") or order at 77 King Street West, Suite 2925, Toronto, Ontario M5K 1K7 or such other place as the Lender may direct in writing the principal amount of **TWENTY MILLION (CAD\$20,000,000) DOLLARS** or so much thereof as may be owing to the Lender by the undersigned from time to time according to the records of the Lender, together with interest thereon calculated from the date hereof on the daily balance of such sum and payable all as set out below at the same place, both before and after demand, maturity, default and judgment, at a rate per annum of Bank of Montreal Prime Rate plus **EIGHT POINT ZERO FIVE (8.05%)** percent and interest on overdue interest payable at the same time, place and rate until this Promissory Note has been indefeasibly repaid in full.

For the purposes of this Promissory Note, the Prime Rate means for a day, the prime lending rate of interest, expressed as a rate per annum, which Bank of Montreal at any time and from time to time establishes for such day as the reference rate of interest in order to determine the interest rate it will charge for commercial loans in Canadian dollars to its customers in Canada. The interest rate payable hereunder shall vary automatically without notice to any interested party hereto on each occasion on which the Prime Rate is varied. The Prime Rate as of the date hereof is 3.95% per annum and the interest rate payable hereunder as of the date hereof is 12%.

The unpaid principal amount due hereunder may be reduced to zero from time to time without affecting the validity of this Promissory Note. The amounts outstanding from time to time under this Promissory Note as evidenced on the grid schedule attached hereto shall, in the absence of manifest error, be conclusive evidence of the indebtedness of the undersigned to the Lender pursuant to this Promissory Note and be binding on the undersigned; provided that notwithstanding the state of the grid schedule attached hereto, the failure of the Lender to record any amounts owing hereunder on the grid schedule attached hereto shall not affect the joint and several obligation of the undersigned to pay to the Lender the amounts due and payable by the undersigned hereunder.

Payments.

(a) *Interest.* Payments of interest only shall be payable monthly in arrears on the last day of each calendar month commencing the month hereof. Interest accruing due hereunder shall be calculated daily in accordance with the "nominal rate" method of interest calculation on the basis of a 365 or 366 day year (as the case may be). The theory of deemed reinvestment shall not apply to the calculation of interest or the payment of other amounts hereunder.

(b) *Place of Payment.* The undersigned may at any time prepay the principal amount hereunder, in whole or in part, without any notice or penalty to the Lender subject to payment of the Minimum Interest (as hereinafter defined). Any payment hereunder shall be made at the Lender's office as set out above prior to 1:00 p.m. (Toronto time) on the applicable date. Any payments received by the Lender



after 1:00 p.m. (Toronto time) on the day payable shall be deemed to have been made and to have been received by the Lender on the next business day. Notwithstanding the foregoing, provided that payment is received prior to 4:00 p.m. (Toronto time) on the day payable, such payment shall not constitute a default in payment under this Promissory Note.

(c) *Minimum Interest.* The undersigned covenant and agree that the Lender shall earn interest at least equal to 12 months interest on the face amount of this Promissory Note (the "**Minimum Interest**"), and if the Minimum Interest is not earned on or before the earliest of the date of: (i) 12 months from the date hereof; (ii) a default under this Promissory Note; and (iii) the payment in full of amounts owing under this Promissory Note, the balance owing on account of the Minimum Interest shall be added to this Promissory Note and be secured by the Loan Documents.

Purpose.

The advance under this Promissory Note is to be used by Audible Capital Corp. ("**Audible**") solely to exercise its option to purchase convertible unsecured debentures in the aggregate principal amount of \$1,000,000 and an aggregate of 1,999,999 Class A Shares in the capital of Biosteel Sports Nutrition Inc. (where Audible currently owns 23.2% of Biosteel Sports Nutrition Inc. on a fully diluted basis); and by any of the undersigned (i) for the buildout of a new arena for the Lausanne Hockey Club in Switzerland; (ii) expenses in connection with this Promissory Note; (iv) other investments and general corporate purposes. For clarity:

Use of Proceeds	
\$ 20,000,000.00	
\$ (8,000,000.00)	Build out in the new arena in Lausanne, Switzerland
\$ (3,300,000.00)	Biosteel Sports Nutrition Inc. - exercise the option
\$ (2,700,000.00)	Private investment in Synaptive Medical Inc.
\$ (2,790,000.00)	To remove BMO's 1st Lien on Audible Capital corp.
\$ (840,000.00)	4.0% Advisory Fee to West Harbour Capital
\$ (500,000.00)	2.5% Work Fee to Bridging Finance Inc.
\$ 1,870,000.00	GCP, other investments, and the fees and expenses of this financing

Representations and Warranties.

The undersigned hereby jointly and severally represent and warrant to the Lender as follows and acknowledge and confirm that the Lender is relying upon such representations and warranties in granting the loan and making advances hereunder:

(a) Each of the undersigned has all necessary capacity to enter into and perform all of its obligations contemplated by this Promissory Note and the documents delivered in connection with same (the "**Loan Documents**"), as the case may be.



- (b) Each of the undersigned is a corporation duly incorporated and organized and is a valid and subsisting corporation under the laws of its jurisdiction of incorporation, with the corporate power and capacity to own or lease its property and assets and carry on its business.
- (c) Each of the undersigned has all necessary corporate power and authority to enter into this Promissory Note and each of the Loan Documents, as the case may be, and to do all such acts and things as are required hereunder and thereunder to be done, observed or performed, in accordance with their respective terms.
- (d) Each of the undersigned has taken all necessary corporate action to authorize the creation, execution, delivery and performance of each of this Promissory Note and each of the Loan Documents, as the case may be.
- (e) Each of the undersigned has received all necessary consents and authorizations required under any shareholder agreement relating to each of the undersigned, to the extent such agreements exist.
- (f) This Promissory Note and the Loan Documents will constitute, when executed and delivered, valid and legally binding obligations of each of the undersigned and any guarantor (to extent a party to such document) enforceable against each of the undersigned and each guarantor, as the case may be, in accordance with their respective terms.
- (g) Neither the borrowing of money by the undersigned, the execution and delivery by each of the undersigned of this Promissory Note, any of the Loan Documents or any other agreement additional or collateral thereto or hereto and the issue of the security to be issued thereunder, nor compliance with the terms and conditions hereof or thereof:
 - (i) will result in a violation of any applicable law, rule, regulation, order, judgment, injunction, award or decree to which the undersigned or guarantors may be subject;
 - (ii) will result in a breach of any of the covenants under, or constitute, with or without the giving of notice or lapse of time or both, a default under, any loan agreement, indenture, trust deed or any other agreement or instrument to which the undersigned or a guarantor is a party or by which it is bound, including without limitation any loan or security arrangements in effect from time to time with any financial institution or other lender;
 - (iii) will result in a breach or violation of or constitute a default under the articles of incorporation or the bylaws of the undersigned; or
 - (iv) requires the consent or approval of any other person.
- (h) Each of the undersigned has, and when it executes and delivers the Loan Documents will have, good and unencumbered title to the assets and property described therein and included therein, free and clear of all assignments, liens, charges and encumbrances whatsoever other than as may be approved by the Lender in writing.



- (i) There are no actions, suits, investigations, assessments or re-assessments, arbitration or other proceedings pending or, to the knowledge of the undersigned or a guarantor, or any of the undersigned's directors and officers threatened against or affecting the undersigned or its undertakings, properties or assets, at law, in equity or before any court, tribunal or other competent governmental agency or authority, domestic or foreign, and there is not presently outstanding against the undersigned any judgment, execution, taxing assessment or re-assessment, decree, injunction, rule, order or award of any court, governmental department, administrator or administrative agency, domestic or foreign.
- (j) Neither the undersigned nor any guarantor has made any assignment for the benefit of creditors nor has any receiving order been made against any of the undersigned or a guarantor under the provisions of the *Bankruptcy and Insolvency Act* or any US equivalent, nor has any petition for such an order been served upon any of them nor are there any proceedings in effect under the provisions of the *Winding-Up Act* or the *Companies' Creditors Arrangement Act* or any US equivalent.
- (k) Any and all representations and warranties made by the each of the undersigned and any guarantor, as the case may be, pursuant to any of the Loan Documents, and any and all other applications, books, records, financial statements or other documents delivered to the Lender by the undersigned or a guarantor, as the case may be, prior to the date hereof, in connection with the Lender's due diligence review or otherwise, are true, accurate and correct in all respects.

Covenants.

The undersigned jointly and severally covenant and agree that, at all times while any indebtedness evidenced by this Promissory Note remains unpaid:

- (a) each of the undersigned shall pay all sums when due by it as required by this Promissory Note;
- (b) each of the undersigned shall not incur any additional Indebtedness (including any increase in the principal amount of any Indebtedness) without the prior written consent of the Lender ("**Indebtedness**" means debt for borrowed money and all guarantees of a person with respect to the obligations of others);
- (c) none of the undersigned will call for redemption or purchase for cancellation or make any dividend or distribution with respect to any equity interests in the undersigned without the prior written consent of the Lender, other than dividends and distributions payable to another undersigned;
- (d) each of the undersigned shall make available to the Lender all books and records relating to the financial, business and corporate affairs thereof, as the case may be, for inspection by the Lender upon the Lender's reasonable request from time to time; and



- (e) each of the undersigned will immediately notify the Lender in writing, and in reasonable detail, of the occurrence of any event of default, or any event or circumstance that with the passage of time would result in an event of default under this Promissory Note or any Loan Document.

Fees and Expenses.

In connection with this Promissory Note, Audible shall pay a fully earned and non-refundable work fee of \$500,000 plus HST to the Lender which fee shall be deducted from the advance under this Promissory Note and be secured by the Loan Documents.

The undersigned shall pay all reasonable fees and expenses (including, but not limited to, all due diligence, consultant costs, all fees and expenses for outside legal counsel and other outside professional advisors in connection with this preparation and negotiation of this Promissory Note and all documentation delivered thereto including, without limitation, the enforcement thereof. For greater certainty, such fees and expenses shall include the fees of Chaitons LLP and its agents. To the extent not deducted from the advance, all such fees and expenses shall be added to the principal amount of this Promissory note on the date of payment and shall bear interest as set out in this Promissory Note and shall be secured by the security delivered in connection with this Promissory Note.

Payment on Demand and Events of Default.

All principal, interest and any other amounts outstanding under this Promissory Note and any documented third party costs of the Lender in connection with same shall become immediately due and payable upon the earlier of demand therefor by the Lender and the occurrence of any one of the following events (each an "Events of Default"):

- (a) the undersigned fails to pay when due of any payment when due any outstanding amount owing to the Lender under this Promissory Note; or
- (b) there is a material adverse change in the value of the security delivered pursuant to this Promissory Note as determined by the Lender; or
- (c) if the undersigned or any guarantor fails to observe, or perform any obligation, covenant or term contained in this Promissory Note or any of the Loan Documents; or
- (d) if any representation or warranty made by either undersigned or a guarantor herein or in the Loan Documents shall prove to have been false or misleading in any material respect; or
- (e) the bankruptcy or insolvency of the undersigned or a guarantor; the filing against either undersigned or a guarantor of a petition in bankruptcy; the making of an assignment for the benefit of creditors by either undersigned or a guarantor; the making of a proposal under the *Bankruptcy and Insolvency Act* (Canada) or US equivalent by either undersigned or a guarantor or if either undersigned or a guarantor seeks relief under the *Companies' Creditors Arrangement Act* (Canada) or any similar law; the appointment of a receiver or a receiver and manager or trustee



for either undersigned or a guarantor or for any material asset or property of either undersigned or a guarantor or the institution by or against either undersigned or a guarantor of any other type of insolvency proceeding under the *Bankruptcy and Insolvency Act* (Canada) or US equivalent or otherwise; or

- (f) the institution by or against the undersigned or a guarantor of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of the affairs of either undersigned or a guarantor; or
- (g) if an encumbrancer takes possession of any material asset or property of either undersigned or a guarantor, if any execution, sequestration or other process of any court becomes enforceable against any material asset or property of the undersigned or a guarantor, or if a distress or like process is levied against any material asset or property of the undersigned or a guarantor; or
- (h) if the undersigned ceases or threatens to cease to carry on its business or makes or agrees to make a bulk sale of its assets without complying with applicable law or commits or threatens to commit any act of bankruptcy; or
- (i) if the undersigned or a guarantor fails to observe or perform any obligation, covenant or term contained in any agreement between either undersigned or a guarantor, as the case may be, and any lender whose Indebtedness and/or security ranks in priority to that of the Lender and such failure has not been remedied within such periods of grace as may be provided by such lender to either undersigned or a guarantor, as applicable, and as a result thereof such lender makes demand upon either undersigned or a guarantor for payment of its outstanding loans to either undersigned or a guarantor, as applicable; or
- (j) any provision of this Promissory Note or the Loan Documents shall for any reason cease to be valid, binding and enforceable in accordance with its terms, or any lien granted, or intended by this Promissory Note or the Loan Documents shall cease to be a valid and perfected lien having first priority in any property of the undersigned or guarantor charged, or intended to be charged, thereby.

A default under this Promissory Note shall be a default under each of the Loan Documents. A default under any Loan Document shall be a default under this Promissory Note and each other Loan Document.

For greater certainty, the Lender shall at all times have the right to demand payment hereunder notwithstanding the Events of Default.

Paramountcy.

In the event of any inconsistency between the terms of this Promissory Note and any of the Loan Documents, the terms of this Promissory Note shall govern.



The undersigned waive presentment for payment, notice of dishonour, protest and notice of protest in respect of this Promissory Note.

This Promissory Note shall be construed in accordance with and governed by the terms of the laws of the Province of Alberta and the federal laws of Canada applicable therein.

[THE REMAINDER OF THIS PAGE IS BLANK. SIGNATURE PAGES FOLLOW]

**AUDIBLE CAPITAL CORP.**

Per: 

Name: William Gallacher

Title: President

I have authority to bind the corporation.

AVENIR TRADING CORP.

Per: 

Name: William Gallacher

Title: President, Vice-President and Secretary

I have authority to bind the corporation.

1892244 ALBERTA LTD.

Per: 

Name: William Gallacher

Title: President

I have authority to bind the corporation.

**AVENIR SPORTS INTERNATIONAL
CORPORATION**

Per: 

Name: William Gallacher

Title: President and Secretary

I have authority to bind the corporation.

**1957932 ALBERTA LTD.**

Per: 

Name: William Gallacher

Title: President

I have authority to bind the corporation.

AVENIR SPORTS ENTERTAINMENT LTD.

Per: 

Name: William Gallacher

Title: President

I have authority to bind the corporation.

AVENIR SPORTS ENTERTAINMENT CORP.

Per: 

Name: William Gallacher

Title: Secretary

I have authority to bind the corporation.

PORTLAND WINTER HAWKS, INC.

Per: 

Name: William Gallacher

Title: Chief Executive Officer and Secretary

I have authority to bind the corporation.

ADVANCES AND PAYMENTS OF PRINCIPAL AND INTEREST

[illegible]

**THIS IS EXHIBIT “J” TO
THE AFFIDAVIT OF LEKAN TEMIDIRE
SWORN BEFORE ME THIS 28TH
DAY OF APRIL, 2020**



A Commissioner etc.

DEMAND DEBENTURE

THIS DEBENTURE dated as of December 14, 2018 (this “**Debenture**”)

AMONG:

AUDIBLE CAPITAL CORP.

AVENIR TRADING CORP.

1892244 ALBERTA LTD.

AVENIR SPORTS INTERNATIONAL CORPORATION

1957932 ALBERTA LTD.

AVENIR SPORTS ENTERTAINMENT LTD.

(collectively, and any one, the “**Grantor**”)

AND:

BRIDGING FINANCE INC., as agent

(the “**Lender**”)

WHEREAS the Grantor, among others, entered into a demand grid promissory note dated as of December 14, 2018 in favour of the Lender (as the same may be amended, varied, supplemented, restated, renewed or replaced at any time and from time to time, the “**Promissory Note**”);

AND WHEREAS in order to secure the payment and performance of the Obligations (as defined herein), the Grantor has agreed to grant the Charges to the Lender in accordance with the terms and conditions of this Debenture;

NOW THEREFORE, in consideration of the agreements herein and in the Promissory Note and in reliance upon the representations and warranties set forth herein and therein, the parties agree as follows:

ARTICLE 1 **DEFINITIONS**

1.1 Definitions

In this Debenture, unless there is something in the subject matter or context inconsistent therewith, all capitalized terms used herein which are not otherwise defined herein shall have the meanings ascribed thereto in the Promissory Note. In addition, the following terms shall have the following meanings:

- (a) “**Charged Property**” has the meaning given in Section 2.1;
- (b) “**Charges**” has the meaning given in Section 2.1;
- (c) “**Consent**” means any permit, licence, approval, consent, order, right, certificate, judgment, writ, injunction, award, determination, direction, decree, authorization, franchise, privilege, grant, waiver, exemption, and other concession or by-law, rule or regulation, whether or not having the force of law, of, by or from any person other than any Governmental Entity, all as amended, supplemented or otherwise modified or replaced from time to time;
- (d) “**Debenture**” has the meaning set out in the recitals and includes the schedules hereto, as the same may be amended, varied, supplemented, restated, renewed or replaced at any time and from time to time;
- (e) “**Enforcement Office**” means, with respect to the Lender, its office at 77 King Street West, Suite 2925, Toronto, Ontario M5K 1K7, or such other office in Canada as the Lender may designate;
- (f) “**Grantor**” has the meaning set out in the recitals;
- (g) “**Governmental Entity**” meanse any federal, provincial, territorial, state, local or foreign court or governmental agency, authority, instrumentality or regulatory or legislative body;
- (h) “**Lender**” has the meaning set out in the recitals;
- (i) “**Obligations**” means all obligations of the Grantor to the Lender, including but not limited to all debts and liabilities, whether present or future, direct or indirect, absolute or contingent, matured or not, joint or several and joint and several, at any time due or accruing due or owing by the Grantor to the Lender, under this Debenture, the Promissory Note or any other Loan Document to which the Grantor is a party;
- (j) “**Permit**” means any permit, license, disposition, approval, consent, order, right, certificate, judgment, writ, injunction, award, determination, direction, decree, authorization, franchise, privilege, grant, waiver, exemption and other concession or by-law, rule or regulation, whether or not having the force of law, of, by or from any Governmental Entity, all as amended, supplemented or otherwise modified or replaced from time to time;
- (k) “**PPSA**” means the *Personal Property Security Act* (Alberta), as amended from time to time;
- (l) “**Principal Amount**” has the meaning given in Section 3.1; and
- (m) “**Promissory Note**” has the meaning set out in the recitals.

1.2 Sections and Headings

The division of this Debenture into Articles and Sections and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Debenture. The terms “this Agreement”, “hereof”, “hereunder” and similar expressions refer to this Debenture in its entirety and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Debenture.

1.3 Extended Meanings

In this Agreement words importing the singular number only include the plural and *vice versa*, words importing any gender include all genders and words importing persons include individuals, partnerships, associations, trusts, unincorporated organizations and corporations.

1.4 Time of Day

Unless otherwise specified, any reference to a time of day means local time in Toronto, Ontario.

1.5 Inclusiveness

The word “**including**”, when following any general statement, term or matter, is not to be construed to limit such general statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters whether or not non-limiting language (such as “**without limitation**” or “**but not limited to**” or words of similar import) is used with reference thereto, but rather such general statement, term or matter is to be construed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such general statement, term or matter.

1.6 Currency

Unless otherwise specified, all amounts are stated in Canadian Dollars.

1.7 Time

Time shall be of the essence in all provisions of this Debenture.

1.8 Schedule

Schedule “A” is annexed to and forms part of this Debenture and this Debenture shall be read and interpreted accordingly.

ARTICLE 2

GRANT OF SECURITY

2.1 Mortgage and Charge

As security for the due payment of the Principal Amount, interest and all other amounts from time to time payable hereunder and of any and all other Obligations and the due performance by the Grantor of all its covenants contained herein or in any other Loan Document to which the Grantor is now or hereafter a party, the Grantor hereby:

- (a) grants to and in favour of the Lender a security interest in all presently owned and hereafter acquired personal property, assets and undertaking of the Grantor (including Accounts, Chattel Paper, Documents of Title, Goods, Instruments, Intangibles, Money and Investment Property, each as defined in the PPSA, and any agreements described in Schedule “A” hereto) of whatsoever nature and kind, and all proceeds thereof and therefrom, renewals thereof, accessions thereto and substitutions therefor, (all of which are herein collectively called the “**Personal Property**”);
- (b) mortgages, pledges and charges as and by way of a floating charge to and in favour of the Lender all of its assets, effects, property and undertaking, real and personal, whether presently owned or held or hereafter acquired or held or to which it is now or hereafter becomes otherwise possessed of or entitled to, of whatsoever nature and kind and wheresoever situate, whether in fee or of a lesser estate and all benefits, easements, franchises, immunities, licenses, privileges, rights, rights of way and servitudes appertaining thereto or connected therewith, whether separately owned or held and all of its present and future apparatus, buildings, chattels, erections, fixtures, fixed equipment, improvements and plant and all of its present and future contracts, franchises, leases, mortgages, negotiable and non-negotiable instruments, patents, trademarks, choses in action, goodwill, judgments, bonds, securities, shares and stocks, other than any asset, effect, property or undertaking that is effectively and validly subject to any Charges granted to the Lender pursuant to subsections (a) of this Section 2.1;

provided that the said grants, conveyances, mortgages, charges, pledges, assignments, transfers and security interests created pursuant to this Section 2.1 (collectively, the “**Charges**”) shall not extend or apply to the last day of the term of any lease or any agreement therefor now held or hereafter acquired by the Grantor, as tenant or lessee, but should such Charges become enforceable the Grantor shall thereafter stand possessed of such last day and shall hold it in trust for the Lender for the purpose of this Debenture and assign and dispose thereof as the Lender shall, for such purpose, direct. Upon any sale or sales of such leasehold interest or any part thereof, the Lender, for the purpose of vesting the aforesaid one day residue of such term or renewal thereof in any purchaser or purchasers thereof, shall be entitled by deed or writing to appoint such purchaser or purchasers or any other person or persons a new trustee or trustees of the aforesaid residue of any such term or renewal thereof in the place of the Grantor and to vest the same accordingly in the new trustee or trustees so appointed free and discharged from any obligation respecting the same.

If any agreement, document or other right, title and interest which is to be mortgaged, charged or assigned pursuant to this Section 2.1 is not assignable to the Lender because (i) the remedies for the enforcement of such agreement would not, as a matter of law, pass to the Lender as an incidence of the transfers and assignments made pursuant to this Debenture or (ii) the same is not assignable without the consent of the other party or parties thereto or any Governmental Authority and such consent has not been obtained as of the date hereof or (iii) the same is not assignable without complying with stated conditions or (iv) the same is the subject of an express prohibition against assignment, the Grantor's interest in such agreement shall, until such consent to such assignment, compliance with such conditions or waiver of such express prohibition is obtained, be held in trust for the Lender by the Grantor and the said interest and all benefits derived under such agreement shall be for the account of the Lender, subject to the terms of this Debenture. Upon this Debenture becoming enforceable, in order that the full value of the interest in every such agreement not assigned to the Lender pursuant to this Debenture but held in trust for it as aforesaid may be realized for the benefit of the Lender, the Grantor shall, at the Grantor's expense, and under the direction of the Lender, in the name of the Grantor, take all such action and do or cause to be done all such things as are desirable in order that the obligations of the Grantor under such agreement may be performed in such manner that the interest in such agreement shall be preserved and shall enure to the benefit of the Lender or as the Lender may direct and the collection of any monies due and payable and to become due and payable shall be facilitated and the Grantor will promptly pay over to the Lender or as the Lender may direct all monies collected by or paid to the Grantor in respect of the interest in every such agreement.

All the undertaking, property and assets granted, conveyed, assigned, transferred, set over, mortgaged, pledged and charged pursuant to Section 2.1 hereof being hereinafter collectively referred to as the **"Charged Property"**.

To have and to hold the Charged Property and all rights hereby conferred unto the Lender, its successors and assigns, forever, for the uses and purposes and with the powers and authorities and subject to the terms and conditions herein set forth.

2.2 **Continuing Effectiveness of Charges**

The Charges created hereby shall have effect whether or not the moneys hereby secured or any part thereof are advanced before or after the execution or registration of this Debenture. This Debenture has been granted as continuing security for the payment of the Obligations and any ultimate unpaid balance thereof, including a revolving current or running account, and the Obligations may be reduced to zero from time to time without affecting the continuing nature of the Charges created hereby as security for the Obligations thereafter incurred. No payment, observance, performance or satisfaction of the Obligations, nor any ceasing by the Grantor to be indebted to the Lender, shall be deemed to be a redemption or discharge of the Charges created hereby until such time as the Lender has executed and delivered to the Grantor registrable discharges of this Debenture. It is intended that this Debenture will remain effective as security and will retain the priority in respect of any and all advances and readvances secured hereby.

2.3 **Attachment**

The Grantor acknowledges that, subject to Section 2.1, the Charges hereby created attach upon the execution of this Debenture (or, in the case of any after-acquired property, upon the date of acquisition by the Grantor of any rights therein), that value has been given, that the Grantor has, or in the case of after-acquired property will have, rights in the Charged Property and the parties have not agreed to postpone the time of attachment. For greater certainty, no reference in this Debenture to the Charges becoming enforceable shall indicate any agreement by the parties to postpone the time of attachment of any of the Charges.

2.4 **Floating Charge**

For all purposes, including the purposes of Section 64 of the *Law of Property Act* (Alberta), the floating charge referred to in Section 2.1(f) shall become a fixed charge on the undertaking, property and assets of the Grantor charged thereby upon the earlier of (a) the Charges becoming enforceable as contemplated by Section 5.1 and the Lender giving written notice to the Grantor that such floating charge has become a fixed charge on the undertaking, property and assets of the Grantor charged thereby, and (b) the occurrence of any other event which, by operation of law, would result in such floating charge becoming a fixed charge on the undertaking, property and assets of the Grantor charged thereby.

ARTICLE 3 **OBLIGATIONS**

3.1 **Promise to Pay**

The Grantor, for value received, hereby acknowledges itself indebted and promises (i) to pay to or to the order of the Lender at the Enforcement Office or at such other place as the Lender may designate by notice in writing to the Grantor, ON DEMAND, the aggregate principal amount of TWENTY MILLION (\$20,000,000) in lawful money of Canada (the “**Principal Amount**”) and to pay interest thereon, from and including the date hereof to and including the date of payment, at a rate of TWENTY FIVE (25%) percent per annum, calculated and compounded monthly on the last day of each month, as well after as before demand and as well after as before default or judgment with interest on overdue interest at the same rate; and (ii) to perform the Obligations.

3.2 **Obligations**

This Debenture secures payment to the Lender of all debts and liabilities and the performance of all Obligations. Notwithstanding any other provision of this Debenture, if the Charges constituted by this Debenture become enforceable, the Grantor will not be liable to pay under this Debenture any amount greater than the aggregate of the Obligations (which shall not include the Principal Amount and interest payable thereon). Notwithstanding any other provision of this Debenture, full payment to the Lender of interest payable pursuant to the Promissory Note in accordance with its terms for any period of time shall fully satisfy and discharge the obligation of the Grantor to pay interest on the Principal Amount of this Debenture during that period of time.

3.3 **Interest Act (Canada)**

For the purpose of the *Interest Act* (Canada) and disclosure thereunder, whenever interest to be paid under this Debenture is to be calculated on the basis of a period of time that is less than a calendar year, the yearly rate of interest to which the rate determined pursuant to such calculation is equivalent is the rate so calculated multiplied by the actual number of days in the calendar year in which it is to be determined and divided by 365 or 366 days, as applicable.

ARTICLE 4

DEALING WITH CHARGED PROPERTY

4.1 **Dealing With Charged Property**

Until the Charges constituted hereby become enforceable, and subject always to the provisions of the Promissory Note and of any other agreement between the Grantor and the Lender, the Grantor shall be entitled to deal with the Charged Property and to receive all payments thereunder and enforce all of the benefits, advantages and powers thereunder in accordance with the provisions of the Promissory Note or such other agreements. In the event that the Charges constituted hereby become enforceable, the Lender may, but shall not be obliged to, exercise all rights, powers, authority and discretion of the Grantor in respect of the Charged Property in its place and stead.

4.2 **No Assumption of Liability**

Nothing herein contained shall render the Lender or any receiver liable to any person for the fulfilment or non-fulfilment of the covenants, obligations, agreements and undertakings of the Grantor in respect of the Charged Property or under any agreement, document or instrument to which the Grantor is a party or by which it is bound.

4.3 **Notification of and Dealings with Third Parties**

The Lender may, before or after the Charges shall have become enforceable as contemplated by Section 5.1, notify any person obligated on an account, chattel paper or instrument of the existence of this Debenture and the Charges created hereby and may, after the Charges shall have become enforceable, direct any one or more of such persons to make payment under any one or more of such accounts, chattel paper or instruments, as the case may be, to the Lender. Any payments on or other proceeds of the Charged Property received by the Grantor from any person obligated in respect of an account, an instrument or chattel paper after the Charges shall have become enforceable as contemplated by Section 5.1 shall be received and held by such Grantor in trust for the Lender and shall be turned over to the Lender forthwith upon request.

4.4 **Negotiable Collateral**

If the Grantor holds or hereafter acquires Charged Property consisting of investment property, chattel paper, instruments or negotiable documents of title (in this Section 4.4, the “**Negotiable Collateral**”), such Grantor will notify the Lender and forthwith do any or all of the following as the Lender may direct:

- (a) deliver the original copies of the Negotiable Collateral to the Lender;
- (b) duly endorse the Negotiable Collateral for transfer in blank or as the Lender may direct;
- (c) cause the Negotiable Collateral to be transferred to and registered in the name of the Lender, or to any nominee of the Lender;
- (d) deliver to the Lender any and all consents or other instruments or documents which may be necessary to effect the transfer of the Negotiable Collateral to the Lender, or to any nominee of the Lender, or upon the Charges becoming enforceable any third party.

ARTICLE 5

DEFAULT AND REMEDIES

5.1 Default and Enforcement

Notwithstanding any provision of this Debenture, the Charges hereby constituted may be enforced by the Lender upon occurrence of demand by the Lender pursuant to the Promissory Note or an Event of Default that is continuing.

5.2 Demand and Acceleration

The fact that this Debenture is expressed to be payable on demand shall not require the Lender:

- (a) to issue any demand for payment of the Obligations; or
- (b) to issue any notice of acceleration of the maturity of the Obligations;

separate from, or additional to, the demand for payment issued pursuant to the Promissory Note, and demand of the Principal Amount, interest and all other amounts payable or secured hereunder shall be deemed to be made, and such amounts shall be deemed to become immediately due and payable, upon the Lender making demand for payment pursuant to the Promissory Note.

5.3 Remedies and Receivership

Whenever the Charges hereby constituted become enforceable, the Lender, by its officers, agents or attorneys or otherwise, without any further consent or concurrence of the Grantor being required, may realize upon the Charges constituted hereby and enforce its rights in the following manner:

- (a) immediately enter into and take possession of all of the Charged Property or any part or parts thereof with power, among other things, to exclude the Grantor, to preserve and maintain the Charged Property and make additions and replacements thereto, to receive rents, income and profits of all kinds and pay therefrom all reasonable expenses of maintaining, preserving and protecting and operating the

Charged Property and all charges, payment of which may be necessary to preserve or protect the Charged Property, and enjoy and exercise all powers necessary to the performance of all functions made necessary or advisable by possession, including power to advance its own moneys at the rate provided herein and enter into contracts and undertake obligations for the foregoing purposes upon the security hereof;

- (b) take proceedings in any court of competent jurisdiction for the appointment of a receiver (which term as used in this Debenture includes a receiver and manager or receiver-manager) of all or any part of the Charged Property;
- (c) take proceedings in any court of competent jurisdiction for sale or foreclosure of all or any part of the Charged Property;
- (d) file proofs of claim and other documents to establish its claims in any proceedings relative to the Grantor or the Charged Property;
- (e) pay any Lien that validly exists or has been threatened against any of the Charged Property and any amounts determined to be validly existing shall, when so paid, be added to the Obligations and shall be secured hereby;
- (f) with or without taking possession, take any action or proceedings to enforce the performance of any covenant in favour of the Grantor contained in any lease or any other indenture or agreement respecting the Charged Property;
- (g) whether or not the Lender has taken possession of the Charged Property or any part of it, sell, lease or otherwise dispose thereof, either as a whole or in separate parcels, at public auction, by public tender or by private sale, or partly one or partly the other, with only such notice as may be required by law, either for cash or upon credit, and upon such terms and conditions as the Lender may determine; and in connection therewith, the Lender may buy in or rescind or vary any contract for the sale of the whole or any part of the Charged Property and resell without being answerable for any loss occasioned thereby; and in the case of a sale on credit the Lender shall be bound to account for only such money as has been actually received from the purchaser; and the Lender may execute and deliver to any purchaser of the Charged Property or any part thereof, good and sufficient deeds and documents for the same;
- (h) by instrument in writing appoint any person to be a receiver of the Charged Property or of any part thereof and may remove any receiver so appointed and appoint another in his stead; and may from time to time fix the remuneration of every such receiver and may recompense every such receiver for all disbursements properly incurred by him in carrying out his duties and his fees, which amounts shall be subject to Section 6.3; and any such receiver so appointed shall in the exercise of his power, authority or discretion be at all times the agent of the Grantor and not the agent of the Lender, shall conform to the regulations

and directions from time to time made and given by the Lender, and shall have power:

- (i) to improve, maintain, manage, operate, repair, renew, replace and restore the Charged Property or any part thereof;
- (ii) to carry out negotiations for leases and grant options to lease, agree to lease and lease the whole or any part of the Charged Property until the same is fully sold or leased;
- (iii) to surrender or accept the surrender of any lease;
- (iv) to sell or grant options to purchase the whole or any part of the Charged Property at public auction, by public or private tender, or by private sale;
- (v) to sell on terms as to credit and with or without security as shall appear to be most advantageous to the receiver and if a sale is on credit the receiver shall not be accountable for any money until actually received;
- (vi) to resell or release without being answerable for any loss occasioned thereby;
- (vii) to rescind or vary any contract or agreement of sale or lease;
- (viii) to make any stipulation as to title or conveyance or commencement of title;
- (ix) to effect a sale or option or agreement to sell or lease by conveying in the name of or on behalf of the Grantor or otherwise;
- (x) to borrow money for the purpose of improving, maintaining, managing, operating, repairing, renewing, replacing or restoring the Charged Property or otherwise in such amount and in such manner as will, in the opinion of the receiver, be sufficient for obtaining upon the security of the Charged Property or part thereof the amounts from time to time required, and in so doing the receiver may issue certificates which may be payable at such time or times as the receiver may think expedient and may bear interest as shall be stated therein and the amounts from time to time payable by virtue of such certificates shall form a charge upon the Charged Property in priority to the Charges otherwise constituted by this Debenture;
- (xi) to make any arrangement or compromise which the receiver considers expedient in the interests of the Lender and to assent on behalf of the Grantor to any modification of this Debenture, change in priority or release in whole or in part of the Charged Property, and to exchange any part or parts of the Charged Property for any other property upon such

terms as the receiver considers expedient, either with or without payment of money for equality of exchange or otherwise;

- (xii) to execute and prosecute all suits, proceedings and actions in the name of the Grantor or otherwise, to defend all suits, proceedings and actions against the Grantor or the receiver, to appear in and conduct the prosecution and defence of any suit, proceeding or action then pending or thereafter instituted and to appeal any suit, proceeding or action which the receiver considers necessary for the reasonable and proper protection of the Charged Property; and
- (xiii) to engage and retain accountants, agents, appraisers, assistants, lawyers and managers;
- (i) exercise or pursue any other remedy or proceeding authorized or permitted hereby or by law or equity.

Such remedies may be exercised from time to time separately or in combination and are in addition to and not in substitution for any other rights or remedies of the Lender however created.

5.4 **Lender and Receiver as Attorney**

In case of any sale, lease or disposition of Charged Property hereunder, whether by the Lender or by a receiver or under judicial proceedings, the Grantor agrees that it will, forthwith upon request, execute and deliver such deeds, assurances, conveyances and receipts as may be necessary to sell, lease or dispose of Charged Property, as applicable, and if the Grantor shall be unable or after request unwilling to do so, the Lender or such receiver may execute and deliver such deeds, assurances, conveyances and receipts as may be necessary to give effect to such transactions, including the transfer of legal title to Charged Property to a purchaser thereof. The Grantor hereby under seal irrevocably appoints the Lender and, if appointed, a receiver, to be an attorney of the Grantor for the purpose of dealing with the Charged Property, making any such sale, lease or disposition and executing all deeds, assurances, conveyances, receipts and documents appertaining thereto. Any such sale, lease or disposition shall be a perpetual bar both at law and in equity against the Grantor and all persons claiming an interest in the Charged Property sold, leased or disposed of by, from, through or under the Grantor. The appointment in this Section 5.4 is coupled with an interest and shall not be revoked by the insolvency, bankruptcy, dissolution, liquidation or other termination of the existence of the Grantor or for any other reason.

5.5 **Protection of Third Parties**

No person dealing with the Lender or its agents or attorneys shall be concerned to inquire whether the powers which the Lender is purporting to exercise have become exercisable, or whether any money remains due upon the security of this Debenture, or as to the necessity or expediency of the stipulations and conditions subject to which any sale, lease or disposition shall be made, or otherwise as to the propriety or regularity of any sale or any other dealing by the Lender with the Charged Property or any part thereof or to see to the application of any money

paid to the Lender; and, in the absence of fraud on the part of such person, such dealings shall be deemed, insofar as regards the safety and protection of such person, to be within the powers hereby conferred and to be valid and effectual accordingly.

5.6 **Surrender by Grantor**

The Grantor will yield up possession of its Charged Property to the Lender or to any receiver appointed by the Lender or any court, as and when provided by this Debenture, upon demand in writing and agrees to put no obstacle in the way of, but to facilitate by all means, the actions of the Lender hereunder and not to interfere with the carrying out of the powers hereby granted to the Lender.

5.7 **Deficiency**

If the amounts realized by the Lender from the disposition of the Charged Property are not sufficient to pay the Obligations in full, the Grantor will remain liable for and will pay to the Lender the amount of such deficiency.

ARTICLE 6

PERFORMANCE OF GRANTOR'S COVENANTS BY LENDER

AND REIMBURSEMENT OF LENDER'S COSTS

6.1 **Payment of Costs**

The Grantor will promptly pay all fees, costs, charges and expenses, including all legal costs of the Lender and costs which may be incurred by and the remuneration payable to a receiver, of and incidental to the registration and filing and discharging of this Debenture, of and incidental to taking, recovering, keeping, possessing or inspecting the Charged Property, of and incidental to any proceedings taken to enforce the remedies under this Debenture or otherwise in relation to the Charges created hereby, and of and incidental to any proceedings taken to enforce this Debenture, or by reason of non-payment or procuring payment of the Principal Amount, interest or any other amount payable or secured hereunder, and, in each case (i) the Grantor consents to all such legal costs being charged and fixed on a solicitor and own client basis and, (ii) if any other professional persons are retained or employed, the Grantor consents to the fees of such persons being paid on the basis of their normal and reasonable professional charges.

6.2 **Performance by Lender**

If the Grantor fails to perform any obligation in the Promissory Note, this Debenture or any other Loan Document, the Lender may, after the occurrence of demand pursuant to the Promissory Note or an Event of Default that is continuing, but shall not be obliged to, perform any or all of such obligations.

6.3 **Reimbursement of Lender's Costs**

All costs, charges and expenses referred to in Section 6.1 and all costs, charges, expenses, fees, outlays and premiums incurred by the Lender in connection with the performance by the Lender pursuant to Section 6.2:

- (a) shall constitute a Charge on the Charged Property in favour of the Lender prior to all claims subsequent to this Debenture;
- (b) shall be payable by the Grantor to the Lender forthwith without demand with interest at the highest rate then applicable under the Promissory Note calculated and compounded monthly on the last day of each month from the date incurred; and
- (c) shall, with interest at the highest rate then applicable under the Promissory Note calculated and compounded monthly on the last day of each month, be added to the Principal Amount as if such amount or amounts had originally formed part thereof.

ARTICLE 7

MISCELLANEOUS

7.1 Other Security

The Grantor covenants and agrees with the Lender that:

- (a) the security created hereby is in addition to any other security which the Lender now or from time to time may hold from the Grantor or any other person;
- (b) all powers, privileges, remedies and rights of the Lender hereunder are cumulative and no such power, privilege, remedy or right is exhaustive but is in addition to each other power, privilege, remedy and right of the Lender hereunder or under any other agreement or instrument now or hereafter existing at law or in equity or by statute; and
- (c) the Lender may realize upon or enforce all or any part of any security which the Lender now or from time to time may hold from the Grantor or any other person including the security created hereby in any order the Lender may desire and any realization or enforcement by any means upon any such security shall not bar realization or enforcement upon any other such security, notwithstanding any rule of law or equity or statute.

7.2 Amendments and Waivers

No amendment or waiver of any provision of this Debenture or consent to any departure by the Grantor from any provision of this Debenture will in any event be effective unless it is in writing signed by the Lender and then the amendment, waiver or consent will be effective only in the specific instance, for the specific purpose and for the specific length of time for which it is given by the Lender.

7.3 Entire Agreement

This Debenture has been entered into pursuant to the provisions of the Promissory Note and is subject to all the terms and conditions thereof and, if there is any conflict between the terms,

conditions and provisions of this Debenture and the Promissory Note, the terms, conditions and provisions of the Promissory Note will prevail. In the event of any conflict between the terms, conditions and provisions of this Debenture and any other Loan Document, those terms, conditions and provisions giving the greatest rights or benefit to the Lender shall prevail. Other than the Loan Documents, this Debenture cancels and supersedes any prior understandings and agreements between the Lender and the Grantor with respect to the subject matter contained herein. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the Lender and the Grantor with respect to the subject matter hereof except as expressly set forth herein or in the Promissory Note and the other Loan Documents.

7.4 **Notice**

Any notice, request or other communication to be given under this Debenture, except as otherwise specifically stated, shall be in writing and given in the manner required by the Promissory Note.

7.5 **Further Assurances**

The Grantor shall from time to time promptly upon the request of the Lender take such action, and execute and deliver such further documents, mortgages, charges, assignments, pledges, amendments and other deeds and instruments as may be reasonably necessary or appropriate to fully give effect to the provisions and intent of this Debenture and to take all other steps necessary to maintain the validity, perfection and intended priority of the Lender's Charge.

7.6 **Governing Law**

This Debenture shall be governed by the law in force in the Province of Alberta and the laws of Canada applicable therein. Any action or proceedings in relation with this Debenture may be brought by the Lender on a non-exclusive basis before the courts of the Province of Alberta.

7.7 **Successors and Permitted Assigns**

This Debenture shall be binding upon the Grantor and the Lender and their respective successors and permitted assigns and enure to the benefit of the Grantor and the Lender and their respective successors and permitted assigns.

7.8 **Counterparts**

This Debenture may be executed in any number of counterparts and may be delivered by electronic means, each of which shall be an original and all of which shall constitute one and the same agreement.

7.9 **Assignment**

The rights of the Lender under this Debenture may be assigned by the Lender in conjunction with assignments permitted by the Promissory Note. The Grantor may not assign its rights under

this Debenture except to a person or entity which acquires or succeeds to the interest of the Grantor in the Charged Property in accordance with the provisions of the Promissory Note.

7.10 **Severability**

If any provision of this Debenture is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability will attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof will continue in full force and effect.

7.11 **Approvals**

Any and all approvals, consents, inspections, investigations, waivers or any other actions which may or may not be given or taken by the Lender pursuant to the terms of this Debenture or any other agreement or document contemplated in or by this Debenture shall not be effective or binding on the Lender unless given in writing signed by a person duly authorized by the Lender.

7.12 **Joint and Several Liability**

Where, in this Debenture, any covenant, agreement, warranty, representation or obligation is made or imposed upon two or more persons or a party comprised of more than one person, each such covenant, agreement, warranty, representation or obligation shall be deemed to be and be read and construed as a joint and several covenant, agreement, warranty, representation or obligation of each such person or party, as the case may be.

7.13 **Waiver of Insurance Statutes**

Without prejudice to any rights it may have under the Promissory Note with respect to the use of insurance proceeds, the Grantor hereby irrevocably waives any and all statutory provisions which may require that proceeds of insurance be used, or permit an insurer to use proceeds of insurance, to restore or rebuild the Leasehold Property and Other Property.

7.14 **Receipt and Waiver**

The Grantor hereby:

- (a) acknowledges receiving a copy of this Debenture; and
- (b) waives all rights to receive from the Lender a copy of any financing statement, financing change statement or verification statement filed at any time or from time to time in respect of this Debenture.

7.15 **Doctrine of Consolidation**

The Grantor covenants and agrees that any statutory provision abolishing, or purporting to abolish, the common law right of consolidation is hereby expressly excluded from application to this Debenture, or the Charged Property, and the provisions of such statutes are specifically waived.

[Signature Page Follows]

IN WITNESS WHEREOF the Grantor has caused this Debenture to be executed and delivered as of the day and year first above written.

AUDIBLE CAPITAL CORP., by its
authorized signatory



William Gallacher
President

AVENIR TRADING CORP., by its
authorized signatory



William Gallacher
President, Vice-President and Secretary

1892244 ALBERTA LTD., by its authorized
signatory



William Gallacher
President

**AVENIR SPORTS INTERNATIONAL
CORPORATION**, by its authorized signatory



William Gallacher
President and Secretary

1957932 ALBERTA LTD., by its authorized
signatory



William Gallacher
President

**AVENIR SPORTS ENTERTAINMENT
LTD.**, by its authorized signatory



William Gallacher
President

**SCHEDULE “A”
AGREEMENTS**

- (a) Share option agreement made effective April 7, 2016 between Ken Stickney, 1957932 Alberta Ltd. and Lausanne Hockey Holdings S.A.
- (b) Promissory note in the amount of CHF 3,100,000 dated April 7, 2016 entered into by Ken Stickney in favour of 1957932 Alberta Ltd.
- (c) Promissory note in the amount of CHF 3,000,000 dated January 17, 2017 entered into by Lausanne Hockey Holdings S.A. in favour of Audible Capital Corp.
- (d) Promissory note in the amount of CHF 1,000,000 dated May 31, 2016 entered into by Lausanne Hockey Holdings S.A. in favour of Audible Capital Corp.
- (e) Promissory note in the amount of CHF 1,000,000 dated September 16, 2016 entered into by Lausanne Hockey Holdings S.A. in favour of Audible Capital Corp.
- (f) Promissory note in the amount of CHF 480,000 dated April 2, 2018 entered into by Lausanne Hockey Holdings S.A. in favour of Audible Capital Corp.
- (g) Promissory note in the amount of CHF 400,000 dated January 11, 2018 entered into by Lausanne Hockey Holdings S.A. in favour of Audible Capital Corp.
- (h) Promissory note in the amount of CHF 500,000 dated November 17, 2017 entered into by Lausanne Hockey Holdings S.A. in favour of Audible Capital Corp.
- (i) Promissory note in the amount of CHF 3,000,000 dated February 6, 2018 entered into by Lausanne Hockey Holdings S.A. in favour of Audible Capital Corp.

**THIS IS EXHIBIT “K” TO
THE AFFIDAVIT OF LEKAN TEMIDIRE
SWORN BEFORE ME THIS 28TH
DAY OF APRIL, 2020**



A Commissioner etc.

SECURITY AGREEMENT

This **SECURITY AGREEMENT**, dated as of December 14, 2018 (as amended, supplemented, amended and restated or otherwise modified from time to time, this “**Security Agreement**”), is by and among **AVENIR SPORTS ENTERTAINMENT CORP.**, a Nevada corporation (“**Avenir**”) and **PORTLAND WINTER HAWKS, INC.**, an Oregon corporation (“**Portland**” and together with Avenir, collectively, the “**Grantor**”), and **BRIDGING FINANCE INC.** (the “**Lender**”).

PREMISES

WHEREAS, this Security Agreement is entered into in connection with that certain Demand Grid Promissory Note, dated as of even date herewith (the “**Note**”), issued by the Grantor and other borrowing entities (collectively, with Grantor, the “**Borrowers**”) in favor of Lender, pursuant to which, Grantor shall incur indebtedness and other obligations in favor of the Lender and shall jointly and severally guarantee all of the obligations of the Borrowers under the Note;

WHEREAS, as an inducement for the Lender to make the loan and other financial accommodations to the Borrowers under the Note and as a condition precedent to the effectiveness of thereof, Grantor is required to execute and deliver this Security Agreement to the Lender to secure Grantor’s obligations under the Note; and

WHEREAS, it is in the best interests of Grantor to execute this Security Agreement inasmuch as Grantor will derive substantial direct and indirect benefits from the transactions contemplated by the Note, and Grantor is willing to execute, deliver and perform its obligations under this Security Agreement to secure its obligations, under the Note, and any other Loan Document.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor agrees, for the benefit of the Lender, as follows:

ARTICLE I

SECTION 1.1. Certain Terms. The following terms, when used in this Security Agreement, including its preamble and recitals, shall have the following meanings (such definitions to be equally applicable to the singular and plural forms thereof):

- (a) “**Borrowers**” has the meaning set forth in the recitals hereto.
- (b) “**Collateral**” has the meaning set forth in Section 2.1, provided, in no event shall “**Collateral**” include any Excluded Asset.
- (c) “**Computer Hardware and Software Collateral**” means (a) all computer and other electronic data processing hardware, integrated computer systems, central processing units, memory units, display terminals, printers, features, computer elements, card readers, tape drives, hard and soft disk drives, cables, electrical supply hardware, generators, power

equalizers, accessories and all peripheral devices and other related computer hardware, including all operating system software, utilities and application programs in whatsoever form, (b) software programs (including both source code, object code and all related applications and data files), designed for use on the computers and electronic data processing hardware described in clause (a) above, (c) all firmware associated therewith, (d) all documentation (including flow charts, logic diagrams, manuals, guides, specifications, training materials, charts and pseudo codes) with respect to such hardware, software and firmware described in the preceding clauses (a) through (c), and (e) all rights with respect to all of the foregoing, including copyrights, licenses, options, warranties, service contracts, program services, test rights, maintenance rights, support rights, improvement rights, renewal rights and indemnifications and any substitutions, replacements, improvements, error corrections, updates, additions or model conversions of any of the foregoing, in each case, to the extent Grantor holds any assignable interest therein.

(d) **“Control Agreement”** means an authenticated record in form and substance reasonably satisfactory to the Lender that provides for the Lender to have “control” (as contemplated in the UCC) over certain Collateral.

(e) **“Copyright Collateral”** means all copyrights of the Grantor, registered or unregistered and whether published or unpublished, now or hereafter in force in the United States including all of Grantor's rights, titles and interests in and to all copyrights registered in the United States Copyright Office (the **“U.S. Copyright Office”**) or anywhere else in the world, including without limitation those copyrights referred to on Schedule III hereto, and registrations and recordings thereof and all applications for registration thereof, whether pending or in preparation, all copyright licenses, the right to sue for past, present and future infringements of any of the foregoing, all rights corresponding thereto, all extensions and renewals of any thereof and all proceeds of the foregoing, including licenses, royalties, income, payments, claims, damages and Proceeds of suit, which are owned or licensed by Grantor.

(f) **“Distributions”** means all cash, cash dividends, stock dividends, other distributions, liquidating dividends, shares of stock resulting from (or in connection with the exercise of) stock splits, reclassifications, warrants, options, non-cash dividends, and all other distributions or payments (whether similar or dissimilar to the foregoing) on or with respect to, or on account of, any Pledged Share or Pledged Interest or other rights or interests constituting Collateral.

(g) **“Equipment”** has the meaning set forth in Section 2.1.

(h) **“Equity Interest”** means any shares, interests, participation, or other equivalents (however designated) of corporate stock, membership interests or partnership interests (or any other ownership interests) of Grantor in any other person.

(i) **“Excluded Assets”** means (a) motor vehicles and other assets subject to certificates of title or ownership, (b) any lease, contract, license, sublicense, other agreement or document, government approval or franchise with any Person if, to the extent and for so long as, the grant of a lien thereon to secure the Secured Obligations would require the consent of a third party (unless such consent has been received), violates or invalidates, constitutes a breach of or a default under, or creates a right of termination in favor of any party (other than any Borrower) to,

such lease, contract, license, sublicense, other agreement or document, government approval or franchise (but only to the extent any of the foregoing is not rendered ineffective by, or is otherwise unenforceable under, the Uniform Commercial Code, or any other applicable law and immediately upon the receipt of any required consent or the ineffectiveness, lapse, termination or waiver of any such term or provision, such lease, contract, license, sublicense, other agreement or document, government approval or franchise shall no longer constitute an “Excluded Asset”), (c) that certain Memorial Coliseum Agreement, effective as of July 1, 1994, as amended, amended and restated or otherwise modified from time to time, between RIP City Management LLC and Portland, (d) that certain Arena Agreement, effective as of July 1, 1995, as amended, amended and restated or otherwise modified from time to time, between RIP City Management LLC and Portland, (e) any asset subject to a capital lease or purchase money obligation if, to the extent and for so long as the grant of a lien thereon to secure the Secured Obligations constitutes a breach of or a default under, or creates a right of termination in favor of any party (other than any Borrower) to, any agreement pursuant to which such lien has been created (but only to the extent any of the foregoing is not rendered ineffective by, or is otherwise unenforceable under, the UCC, or any other applicable law and immediately upon the ineffectiveness, lapse, termination or waiver of any such term or provision contained in any such agreement, such asset shall no longer constitute an “Excluded Asset”), (f) any intent-to-use trademark applications filed in the United States Patent and Trademark Office, (g) any asset if, to the extent and for so long as the grant of a lien thereon to secure the Secured Obligations is prohibited by applicable law or agreements with any governmental authority (other than to the extent that any such prohibition would be rendered ineffective pursuant to the UCC or any other applicable law) or which would require consent, approval, license or authorization from any governmental authority or regulatory authority, unless such consent, approval, license or authorization has been received in consultation with the Lender, and, in each case, immediately upon the receipt of any required consent, approval, license or authorization or the ineffectiveness of any such prohibition, such asset shall no longer constitute an “Excluded Asset”), and (h) any deposit account or securities that is a pension fund, escrow, trust, or similar account, provided, “Excluded Assets” shall not include any Proceeds, products, substitutions or replacements of any “Excluded Assets” unless such Proceeds, products, substitutions or replacements would themselves constitute an “Excluded Asset”. “Excluded Assets” shall not include that certain franchise of the Borrower pursuant to that certain Western Hockey League Franchise Ownership Transfer Agreement dated October 14, 2008 between William M. Gallacher, Avenir Capital Corporation, Western Hockey League and Portland, since the Western Hockey League has consented to the grant of the security interest evidenced by this Agreement.

(j) **“General Intangibles”** means all “general intangibles” and all “payment intangibles”, each as defined in the UCC, and shall include all interest rate or currency protection or hedging arrangements, all tax refunds, all licenses, permits, concessions and authorizations and all Intellectual Property Collateral (in each case, regardless of whether characterized as general intangibles under the UCC).

(k) **“Governmental Approval”** has the meaning set forth in Section 2.1.

(l) **“Grantor”** has the meaning set forth in the preamble hereof and the term “Grantor” may mean any one of them or collectively depending on context.

(m) **“Indemnified Parties”** has the meaning set forth in Section 6.3.

(n) **“Intellectual Property Collateral”** means, collectively, the Computer Hardware and Software Collateral, the Copyright Collateral, the Patent Collateral, the Trademark Collateral and the Trade Secrets Collateral.

(o) **“Inventory”** has the meaning set forth in Section 2.1.

(p) **“Note”** has the meaning set forth in the recitals hereto.

(q) **“Patent Collateral”** means (a) all inventions and discoveries, whether patentable or not, all letters patent and applications for letters patent in the United States, including without limitation those patents referred to on Schedule III hereto, and any patent applications in preparation for filing, (b) all reissues, divisions, continuations, continuations in part, extensions, renewals and reexaminations of any of the items described in clause (a), (c) all patent licenses, and other agreements providing the Grantor with the right to use any items of the type referred to in clauses (a) and (b) above, and (d) all proceeds of, and rights associated with, the foregoing (including licenses, royalties income, payments, claims, damages and proceeds of infringement suits), the right to sue third parties for past, present or future infringements of any patent or patent application, and for breach or enforcement of any patent license.

(r) **“Permitted Encumbrance”** means, with respect to any Grantor, (a) Lender’s liens, (b) liens for unpaid taxes, assessments or other governmental charges or levies that either (i) are not delinquent or (ii) do not have priority over the Lender’s liens and are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted and for which adequate reserves are maintained on the books of such Grantor in accordance with GAAP, (c) liens, if any, to the extent such liens secure Indebtedness existing on the date hereof and any refinancing of such Indebtedness consented to or permitted under the terms and conditions of the Note, (d) the interests of lessors or sublessors under operating leases entered into in the ordinary course of business and not prohibited by any other provision hereof, (e) statutory liens in favor of warehousemen, landlords, carriers, mechanics, materialmen, laborers or suppliers, incurred in the ordinary course of business of such Grantor and not in connection with the borrowing of money, and which liens are for sums not delinquent or sums being contested in good faith by appropriate proceedings promptly instituted and diligently conducted and for which adequate reserves are maintained on the books of such Grantor in accordance with GAAP, (f) liens arising from deposits made in connection with obtaining worker’s compensation or other unemployment insurance, (g) purported liens evidenced by the filing of precautionary UCC financing statements relating solely to operating leases of personal property entered into in the ordinary course of business, (h) liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods in the ordinary course of business, (i) judgment liens in respect of judgments that do not constitute an event of default under the Note or this Agreement, (j) non-exclusive licenses of intellectual property rights granted by such Grantor in the ordinary course of business, (k) with respect to real property, zoning restrictions, easements, rights of way, restrictions, reservations, declarations, licenses, covenants, encroachments, and other minor defects or irregularities in title, in each case which do not and will not interfere in any material respect with the ordinary conduct of the business of such Grantor, (l) liens on cash deposits to secure the performance of tenders,

statutory obligations, surety, stay, customs and appeals bonds, bids, insurance, leases, government contracts, trade contracts, performance and return of money bonds, letters of credit and other similar obligations (exclusive of obligations for the payment of borrowed money) entered into in the ordinary course of business, (m) security deposits to public utilities or to any municipalities or governmental authority or other public authorities when required by such utility, municipality, governmental authority or other public authority in connection with the supply of services or utilities, and (n) statutory or common law rights of setoff of depository banks with respect to funds of Grantors at such banks to secure fees and charges in connection with returned items or the standard fees and charges of such banks in connection with deposit accounts maintained by Grantors at such banks (but not any other Indebtedness or other obligations).

(s) **“Pledged Interests”** means all Equity Interests or other ownership interests of any Pledged Interests Issuer held by Grantor; all registrations, certificates, articles, by-laws, regulations, limited liability company agreements or constitutive agreements governing or representing any such interests; all options and other rights, contractual or otherwise, at any time existing with respect to such interests, as such interests are amended, modified, or supplemented from time to time, and together with any interests in any Pledged Interests Issuer taken in extension or renewal thereof or substitution therefor.

(t) **“Pledged Interests Issuer”** means each person that is an issuer of Pledged Shares or Pledged Interests.

(u) **“Pledged Note Issuer”** means each person identified in Schedule I hereto as the issuer of the Pledged Notes identified opposite the name of such person.

(v) **“Pledged Notes”** means all promissory notes of any Pledged Note Issuer evidencing Indebtedness in form and substance reasonably satisfactory to the Lender delivered by the Grantor to the Lender as Pledged Property hereunder, as such promissory notes, in accordance with Section 7.3, are amended, modified or supplemented from time to time and together with any promissory note of any Pledged Note Issuer taken in extension or renewal thereof or substitution therefor.

(w) **“Pledged Property”** means all Pledged Notes, Pledged Interests, Pledged Shares, all assignments of any amounts due or to become due with respect to the Pledged Interests or the Pledged Shares, all other instruments which are now being delivered by the Grantor to the Lender or may from time to time hereafter be delivered by the Grantor to the Lender for the purpose of pledging under this Security Agreement or any other Loan Document, and all proceeds of any of the foregoing.

(x) **“Pledged Shares”** means all Equity Interests of any Pledged Interests Issuer held by Grantor which are evidenced by a certificate delivered by Grantor to the Lender as Pledged Property hereunder.

(y) **“Receivables”** has the meaning set forth in Section 2.1.

(z) **“Related Contracts”** has the meaning set forth in Section 2.1.

(aa) “**Secured Obligations**” has the meaning set forth in Section 2.2.

(bb) “**Security Agreement**” has the meaning set forth in the preamble.

(cc) “**Termination Date**” means the date that all Secured Obligations have been paid in full in cash other than contingent indemnification obligations to the extent no claim giving rise thereto has been asserted.

(dd) “**Trademark Collateral**” means (a) (i) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, certification marks, collective marks, logos and other source or business identifiers, and all goodwill of the business associated therewith, now existing or hereafter adopted or acquired, including without limitation those trademarks referred to in Item B of Schedule III hereto, whether currently in use or not, all registrations and recordings thereof and all applications in connection therewith, whether pending or in preparation for filing, including registrations, recordings and applications in the United States Patent and Trademark Office (“**USPTO**”) or in any office or agency of the United States of America, or any state thereof or any other country or political subdivision thereof or otherwise, and all common law rights relating to the foregoing, and (ii) the right to obtain all reissues, extensions or renewals of the foregoing (collectively referred to as the “**Trademarks**” and each, a “**Trademark**”), (b) all Trademark licenses for the grant by or to the Grantor of any right to use any Trademark, (c) all of the goodwill of the business connected with the use of, and symbolized by the items described in, clause (a), and to the extent applicable clause (b), (d) the right to sue third parties for past, present and future infringements of any Trademark Collateral described in clause (a) and, to the extent applicable, clause (b), and (e) all Proceeds of, and rights associated with, the foregoing, including any claim by the Grantor against third parties for past, present or future infringement or dilution of any Trademark, Trademark registration or Trademark license, or for any injury to the goodwill associated with the use of any such Trademark or for breach or enforcement of any Trademark license and all rights corresponding thereto throughout the world.

(ee) “**Trade Secrets Collateral**” means all common law and statutory trade secrets and all other confidential, proprietary or useful information and all know how obtained by or used in or contemplated at any time for use in the business of Grantor, (all of the foregoing being collectively called a “**Trade Secret**”), including all Documents and things embodying, incorporating or referring in any way to such Trade Secret, all Trade Secret licenses, and including the right to sue for and to enjoin and to collect damages for the actual or threatened misappropriation of any Trade Secret and for the breach or enforcement of any such Trade Secret license.

(ff) “**UCC**” means the Uniform Commercial Code, as in effect in the State of Oregon, as the same may be amended from time to time.

SECTION 1.2. Note Definitions. Unless otherwise defined herein or the context otherwise requires, capitalized terms used in this Security Agreement, including its preamble and recitals, have the meanings provided in the Note.

SECTION 1.3. UCC Definitions. Unless otherwise defined herein or the context otherwise requires, terms for which meanings are provided in the UCC are used in this Security Agreement, including its preamble and recitals, with such meanings.

SECTION 1.4. Miscellaneous. Article, Section, Schedule, and Exhibit references are to Articles and Sections of and Schedules and Exhibits to this Security Agreement, unless otherwise specified. All references to instruments, documents, contracts, and agreements (including this Security Agreement) are references to such instruments, documents, contracts, and agreements as the same may be amended, supplemented, and otherwise modified from time to time, unless otherwise specified and shall include all schedules and exhibits thereto unless otherwise specified. The words “hereof”, “herein”, and “hereunder” and words of similar import when used in this Security Agreement shall refer to this Security Agreement as a whole and not to any particular provision of this Security Agreement. The term “including” means “including, without limitation”. Paragraph headings have been inserted in this Security Agreement as a matter of convenience for reference only and it is agreed that such paragraph headings are not a part of this Security Agreement and shall not be used in the interpretation of any provision of this Security Agreement.

ARTICLE II

SECTION 2.1. Grant of Security Interest. As collateral security for the payment and performance of the Secured Obligations (as defined below) Grantor hereby pledges, hypothecates, assigns, charges, mortgages, delivers, and transfers to the Lender, and hereby grants to the Lender, a continuing security interest in all of Grantor's right, title and interest in, to and under, all of the following, whether now owned or hereafter acquired by Grantor, and wherever located and whether now owned or hereafter existing or arising (collectively, the “**Collateral**”):

(a) all equipment in all of its forms (including all machinery, equipment, facilities, supplies (including software that is imbedded in and part of the equipment), and similar items which relate to the above, any and all additions, substitutions and replacements of any of the foregoing, wherever located together with all improvements thereon and all attachments, components, parts, equipment and accessories installed thereon or affixed thereto, and any other item constituting “equipment” under the UCC (any and all of the foregoing being the “**Equipment**”);

(b) all inventory in all of its forms of Grantor, wherever located, and all accessions thereto, products thereof and documents therefor, and any other item constituting “inventory” under the UCC (any and all of the foregoing being the “**Inventory**”);

(c) all accounts, money, payment intangibles, deposit accounts (including the Blocked Accounts and all amounts on deposit therein and all cash equivalent investments carried therein and all proceeds thereof), contracts, contract rights, all rights constituting a right to the payment of money, chattel paper, documents, documents of title, instruments, letters of credit, letter of credit rights and General Intangibles of Grantor, whether or not earned by performance or arising out of or in connection with the sale or lease of goods or the rendering of services, including all moneys due or to become due in repayment of any loans or advances, all rights of

Grantor now or hereafter existing in and to all security agreements, guaranties, leases, agreements and other contracts securing or otherwise relating to any such accounts, money, payment intangibles, deposit accounts, contracts, contract rights, rights to the payment of money, chattel paper, documents, documents of title, instruments, letters of credit, letter of credit rights and General Intangibles, and any other item constituting "accounts" under the UCC (any and all of the foregoing being the "**Receivables**", and any and all such security agreements, guaranties, leases, agreements and other contracts being the "**Related Contracts**");

(d) all Intellectual Property Collateral of Grantor;

(e) all governmental approvals, permits, licenses, authorizations, consents, rulings, tariffs, rates, certifications, waivers, exemptions, filings, claims, orders, judgments and decrees (each a "**Governmental Approval**"), to the extent a security interest may be granted therein;

(f) all interest rate swap agreements, interest rate cap agreements and interest rate collar agreements, and all other agreements or arrangements designed to protect Grantor against fluctuations in interest rates or currency exchange rates and all commodity hedge, commodity swap, exchange, forward, future, floor, collar or cap agreements, fixed price agreements and all other agreements or arrangements designed to protect Grantor against fluctuations in commodity prices (including, without limitation, any hedging arrangement);

(g) to the extent not included in the foregoing, all bank accounts, investment property, fixtures and supporting obligations;

(h) all Pledged Interests and Pledged Notes, whether now or hereafter delivered to the Lender in connection with this Security Agreement, interest, and other payments and rights with respect to such Pledged Notes;

(i) (A) all policies of insurance now or hereafter held by or on behalf of Grantor, including casualty, foreign credit insurance, and any title insurance but excluding liability insurance, and director and officer insurance, (B) all proceeds of such insurance, and (C) all rights, now or hereafter held by Grantor to any warranties of any manufacturer or contractor of any other person;

(j) all accessions, substitutions, replacements, products, offspring, rents, issues, profits, returns, income and proceeds of and from any and all of the foregoing Collateral (including proceeds which constitute property of the types described in this Section 2.1 and proceeds deposited from time to time in any lock boxes of Grantor, and, to the extent not otherwise included, all payments and proceeds under insurance (whether or not the Lender is the loss payee thereof), or any condemnation award, indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the Collateral);

(k) any and all Liens and security interests (together with the documents evidencing such security interests) granted to Grantor by an obligor to secure such obligor's obligations owing under any account, instrument, chattel paper, general intangible or contract that is pledged hereunder or with respect to which a security interest in Grantor's rights in such account Instrument, Chattel Paper, general intangible or contract is granted hereunder;

(l) any and all guaranties given by any person for the benefit of such Grantor which guarantees the obligations of an obligor under any account, Instrument, Chattel Paper, general intangible or contract which is pledged hereunder;

(m) except for the Excluded Asset, all of Grantor's other personal property, fixtures and rights of every kind and description and interests therein, including without limitation, all other "Accounts", "Certificated Securities", "Chattel Paper", "Commercial Tort Claims", "Commodity Accounts", "Commodity Contracts", "Deposit Accounts", "Documents", "Equipment", "Fixtures", "General Intangibles", "Goods", "Instruments", "Inventory", "Investment Property", "Letter of Credit Rights", "Letters of Credit", "Money", "Payment Intangibles", "Proceeds", "Securities", "Securities Account", "Security Entitlements", "Supporting Obligations" and "Uncertificated Securities" as such terms are defined in the UCC;

(n) all books, correspondence, credit files, records, invoices, tapes, cards, computer runs, writings, data bases, information in all forms, paper and documents and other property relating to, used or useful in connection with, evidencing, embodying, incorporating or referring to, any of the foregoing in this Section 2.1; and

(o) all proceeds and products of any of the foregoing in this Section 2.1;

provided, however, that notwithstanding anything herein to the contrary, in no event shall the Collateral include or the security interest granted under this Section 2.1 attach to any Excluded Asset.

SECTION 2.2. Security for Obligations.

(a) This Security Agreement, and the Collateral in which the Lender is granted a security interest hereunder by Grantor, secures the prompt and indefeasible payment in full and performance of all obligations of Grantor incurred pursuant to the Note, whether for principal, interest, costs, fees, expenses or otherwise, howsoever created, arising or evidenced, whether direct or indirect, primary or secondary, fixed or absolute or contingent, joint or several, or now or hereafter existing under this Security Agreement and each other Loan Document to which it is or may become a party (all such obligations being the "**Secured Obligations**").

(b) Notwithstanding anything contained herein to the contrary, it is the intention of Grantor and the Lender that the amount of the Secured Obligations secured by Grantor's interests in any of its Property shall be in, but not in excess of, the maximum amount permitted by fraudulent conveyance, fraudulent transfer and other similar law, rule or regulation of any governmental authority applicable to Grantor. Accordingly, notwithstanding anything to the contrary contained in this Security Agreement or in any other agreement or instrument executed in connection with the payment of any of the Secured Obligations, the amount of the Secured Obligations secured by Grantor's interests in any of its Property pursuant to this Security Agreement shall be limited to an aggregate amount equal to the largest amount that would not render Grantor's obligations hereunder or the Liens and security interest granted to the Lender hereunder subject to avoidance under Section 548 of the United States Bankruptcy Code or any comparable provision of any other applicable law.

SECTION 2.3. Continuing Security Interest; Transfer of Loans; Reinstatement.

This Security Agreement shall create continuing security interests in the Collateral and shall (a) remain in full force and effect until the Termination Date, (b) be binding upon Grantor and its successors, transferees and assigns as permitted under the Note, and (c) inure, together with the rights and remedies of the Lender hereunder, to the benefit of the Lender and its successors, transferees and assigns, subject to the limitations as set forth in the Note. Without limiting the generality of the foregoing clause (c), Lender may assign or otherwise transfer (in whole or in part), any of the Secured Obligations to the extent provided in the Note, and any successor or assignee thereof shall thereupon become vested with all the rights and benefits in respect thereof granted to Lender under any Loan Document (including this Security Agreement), or otherwise, subject, however, to any contrary provisions in such assignment or transfer, and as applicable to the provisions of the Note. **If at any time all or any part of any payment theretofore applied by Lender to any of the Secured Obligations is or must be rescinded or returned by Lender for any reason whatsoever (including, without limitation, the insolvency, bankruptcy, reorganization or other similar proceeding of Grantor or any other person), such Secured Obligations shall, for purposes of this Security Agreement, to the extent that such payment is or must be rescinded or returned, be deemed to have continued to be in existence, notwithstanding any application by Lender or any termination agreement or release provided to the Grantor, and this Security Agreement shall continue to be effective or reinstated, as the case may be, as to such Secured Obligations, all as though such application by the Lender had not been made.**

SECTION 2.4. Grantor Remains Liable. Anything herein to the contrary notwithstanding, (a) Grantor shall remain liable under the contracts and agreements included in the Collateral to the extent set forth therein, and will perform all of its duties and obligations under such contracts and agreements to the same extent as if this Security Agreement had not been executed except to the extent the failure to do so perform could not reasonably be expected to result in a material adverse effect, (b) the exercise by the Lender of any of its rights hereunder shall not release Grantor from any of its duties or obligations under any such contracts or agreements included in the Collateral, and (c) the Lender shall not have any obligation or liability under any contracts or agreements included in the Collateral by reason of this Security Agreement, nor shall the Lender be obligated to perform any of the obligations or duties of Grantor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

SECTION 2.5. Delivery of Pledged Property.

(a) Other than as provided in the last sentence of Section 4.5 below, all certificates or instruments representing or evidencing any Collateral, including Pledged Notes, shall be delivered to and held by or on behalf of (or in the case of the Pledged Notes, endorsed to the order of) the Lender pursuant hereto, shall be in suitable form for transfer by delivery, and shall be accompanied by all necessary endorsements or instruments of transfer or assignment, duly executed in blank.

(b) To the extent any of the Collateral constitutes an “uncertificated security” (as defined in the UCC) or a “security entitlement” (as defined in the UCC), Grantor shall, at the request of Lender, take and cause the appropriate person (including any issuer, entitlement

holder or securities intermediary thereof) to take all actions necessary to grant “control” (as defined in the UCC) to the Lender over such Collateral.

SECTION 2.6. Distributions. In the event that any Distribution with respect to any Pledged Shares or Pledged Interests pledged hereunder is permitted to be paid (in accordance with the Note), such Distribution or payment may be paid directly to the applicable Grantor. If any Distribution is made in contravention of the Note, the applicable Grantor shall hold the same segregated and in trust for the Lender and immediately pay over such Distribution to the Lender to be applied as payment for part or all of the Secured Obligations as determined by the Lender in its sole discretion.

SECTION 2.7. Security Interest Absolute, etc. This Security Agreement shall in all respects be a continuing, absolute, unconditional and irrevocable grant of security interest, and shall remain in full force and effect until the Termination Date. All rights of the Lender and the security interests granted to the Lender hereunder, and all obligations of Grantor hereunder, shall, in each case, be absolute, unconditional and irrevocable irrespective of (a) any lack of validity, legality or enforceability of any Loan Document, (b) the failure of the Lender (i) to assert any claim or demand or to enforce any right or remedy against the Grantor or any other person under the provisions of any Loan Document or otherwise, or (ii) to exercise any right or remedy against any other guarantor of, or collateral securing, any Secured Obligations, (c) any change in the time, manner or place of payment of, or in any other term of, all or any part of the Secured Obligations, or any other extension, compromise or renewal of any Secured Obligations, (d) any reduction, limitation, impairment or termination of any Secured Obligations (except in the case of the occurrence of the Termination Date) for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to (and Grantor hereby waives any right to or claim of) any defense or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality, non-genuineness, irregularity, compromise, unenforceability of, or any other event or occurrence affecting, any Secured Obligations or otherwise, (e) any amendment to, rescission, waiver, or other modification of, or any consent to or departure from, any of the terms of any Loan Document, (f) any addition, exchange or release of any Collateral of the Secured Obligations, or any surrender or non-perfection of any collateral, or any amendment to or waiver or release or addition to, or consent to or departure from, any other guaranty held by the Lender securing any of the Secured Obligations, or (g) any other circumstance which might otherwise constitute a defense available to, or a legal or equitable discharge of, the Grantor, any surety or any guarantor.

SECTION 2.8. Election of Remedies. Except as otherwise provided in the Note, if Lender may, under applicable law, proceed to realize its benefits under this Security Agreement or the other Loan Documents giving Lender a Lien upon any Collateral, either by judicial foreclosure or by non-judicial sale or enforcement, Lender may, at its sole option, determine which of its remedies or rights it may pursue without affecting any of its rights and remedies under this Security Agreement. If, in the exercise of any of its rights and remedies Lender shall forfeit any of its rights or remedies, including its right to enter a deficiency judgment against Grantor or any other person, whether because of any applicable laws pertaining to “election of remedies” or the like, Grantor hereby consents to such action by Lender and waives any claim based upon such action, even if such action by Lender shall result in a full or partial loss of any rights of subrogation that Grantor might otherwise have had but for such action by Lender.

ARTICLE III

In order to induce the Lender to enter into the Note and make the loan under the Note, Grantor represents and warrants unto Lender as set forth in this Article (which representations and warranties shall be true and correct in all material respects on the date hereof).

SECTION 3.1. Validity, etc. This Security Agreement and the other Loan Documents to which Grantor is a party constitutes the legal, valid and binding obligations of Grantor, enforceable against Grantor in accordance with their respective terms (except, in any case, as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally and by principles of equity).

SECTION 3.2. Ownership, No Liens, etc. Grantor is the legal and beneficial owner of, and has good and marketable title to (and has full right and authority to pledge, grant and assign) the Collateral, free and clear of all Liens, except Permitted Encumbrances (as defined in the Note). No effective UCC financing statement or other filing similar in effect covering all or any part of the Collateral is on file in any recording office, except those filed in favor of Lender relating to this Security Agreement, Permitted Encumbrances, or as to which a duly authorized termination statement relating to such UCC financing statement or other instrument has been delivered to Lender on the Effective Date or as to which Lender is otherwise authorized to file termination statements. This Security Agreement creates a valid security interest in the Collateral, securing the payment of the Secured Obligations, and, except for the proper filing of the applicable financing statements with the filing offices listed on Schedule II attached hereto, and, if requested by Lender, the execution and delivery of Control Agreements, all filings and other actions necessary to perfect and protect such security interest, in those portions of Collateral that can be perfected by, amongst other things, the (i) filing of a financing statement, or (ii) entering into of a Control Agreement, have been duly taken and such security interest shall be a first priority security interest subject to Permitted Encumbrances which by their nature have priority over the Lien in favor of Lender.

SECTION 3.3. As to Investment Property. In the case of each Pledged Note, all of such Pledged Notes have been duly authorized, executed, endorsed, issued and delivered, and are the legal, valid and binding obligation of the issuers thereof, and, as of the date hereof are listed on Schedule II.

SECTION 3.4. Grantor's Name, Location, etc.

(a) Other than as otherwise permitted pursuant to any Loan Document, (i) the jurisdiction in which Grantor is located for purposes of Sections 9-301 and 9-307 of the UCC is set forth on Schedule II hereto, (ii) the place of business of Grantor or, if Grantor has more than one place of business, the chief executive office of Grantor and the office where Grantor keeps its records concerning the Receivables, and all originals of all Chattel Paper which evidence Receivables, is set forth on Schedule II hereto, and (iii) Grantor's federal taxpayer identification number is set forth on Schedule II hereto.

(b) Grantor has not been known by any legal name different from the one set forth on the signature page hereto, nor has Grantor been the subject of any merger or other corporate reorganization, except as set forth on Schedule II hereto.

(c) Grantor does not maintain any Deposit Accounts, Securities Accounts or Commodity Accounts with any person, in each case, except as set forth on Schedule II or as otherwise disclosed to Lender.

(d) None of the Receivables is evidenced by a promissory note or other instrument, in each case in excess of \$10,000 individually or \$25,000 in the aggregate, unless such promissory note or instrument has been delivered to the Lender (with appropriate endorsements).

(e) Grantor is not the beneficiary of any Letters of Credit except as set forth on Item D of Schedule II, and as subsequently disclosed to Lender by written notification.

(f) Grantor does not have any known Commercial Tort Claims except as set forth on Item E of Schedule II, and as subsequently disclosed to Lender by written notification.

(g) Grantor has not consented to, and is otherwise unaware of, any person (other than the Lender) having control (within the meaning of Section 9-104 of the UCC) over, or any other interest in any of Grantor's rights in respect of the foregoing, other than Permitted Encumbrances.

SECTION 3.5. Possession of Inventory, Control; etc. Grantor (a) has exclusive possession, subject to Permitted Encumbrances, of the Equipment and Inventory except as permitted under the Loan Documents, and (b) is the sole owner of its Accounts and no other person (other than the Lender) has "ownership" of, or any other interest in, any of its Accounts or any other securities or property credited thereto except as permitted pursuant to the Loan Documents, including a Control Agreement and other Permitted Encumbrances.

SECTION 3.6. Negotiable Documents, Instruments and Chattel Paper. Grantor has, contemporaneously herewith, delivered to the Lender possession of all originals of all Documents, Instruments, promissory notes, Pledged Notes and tangible Chattel Paper owned or held by Grantor (duly endorsed, in blank, if requested in writing by the Lender), in each cash, representing obligations in excess of \$10,000 individually or \$25,000 in the aggregate.

SECTION 3.7. Intellectual Property Collateral. Grantor represents that except for any Patent Collateral, Trademark Collateral, and Copyright Collateral specified on Schedule III hereto, and any and all Trade Secrets Collateral, Grantor does not own and has no interests in any Intellectual Property Collateral as of the date hereof, other than the Computer Hardware and Software Collateral. Grantor further represents and warrants that, with respect to all Intellectual Property Collateral, except as set forth on Schedule III hereto, (a) such Intellectual Property Collateral is valid, unexpired and enforceable and has not been abandoned or adjudged invalid or unenforceable, in whole or in part, unless such Intellectual Property Collateral is not necessary or useful in the Grantor's business, (b) Grantor is the sole and exclusive owner or a licensee of the entire and unencumbered right, title and interest in and to such Intellectual Property Collateral, subject to Permitted Encumbrances, and to the knowledge of Grantor, no claim has been made

that the use of such Intellectual Property Collateral does or may, infringe, misappropriate, or otherwise violate any of the rights of any third party in any material respects, (c) with respect to federally registered Intellectual Property Collateral, Grantor has made all necessary filings and recordations to protect its interest in such material Intellectual Property Collateral, in the USPTO or U.S. Copyright Office, as applicable, (d) Grantor has taken all reasonable steps to safeguard its Trade Secrets and to its knowledge none of the Trade Secrets of Grantor has been, divulged, disclosed or appropriated for the benefit of any person other than Grantor or any Affiliate, (e) to Grantor's knowledge, no third party is infringing upon any material Intellectual Property Collateral owned or used by Grantor in any material respect, or any of its licensees, (f) no settlement, covenants not to sue, non-assertion assurances, or releases have been entered into by Grantor or to which Grantor is bound that adversely affects its rights to own or use any material Intellectual Property Collateral, (g) Grantor has not made a previous assignment, sale, transfer or agreement constituting a present or future assignment, sale or transfer of any Intellectual Property Collateral for purposes of granting a security interest or as Collateral that has not been terminated or released, (h) Grantor uses adequate standards of quality in the provision of all services rendered under or in connection with any Trademarks and has taken all commercially reasonable action necessary to insure that any licensees of any Trademarks owned by Grantor use such adequate standards of quality, (i) the consummation of the transactions contemplated by the Note and this Security Agreement will not result in the termination or material impairment of any material portion of the Intellectual Property Collateral, and (j) Grantor owns directly or is entitled to use by license or otherwise, any patents, Trademarks, tradenames, Trade Secrets, and copyrights with respect to any of the foregoing used in, and necessary for the conduct of Grantor's business in any material respect.

SECTION 3.8. Authorization, Approval, etc. Except as have been obtained or made and are in full force and effect, no Governmental Approval, authorization, approval or other action by, and no notice to or filing with, any governmental authority or any other third party is required either (a) for the grant by Grantor of the security interest granted hereby or for the execution, delivery and performance of this Security Agreement by Grantor, or (b) for the perfection or maintenance of the security interests hereunder including the first priority (subject to Permitted Encumbrances) nature of such security interest (except with respect to the recordation of applicable filing statements and notices) or the exercise by the Lender of its rights and remedies hereunder.

SECTION 3.9. Best Interests. Grantor will derive substantial direct and indirect benefits from the loans and other extensions of credit made from time to time by the Lender to the Borrowers, and Grantor agrees that the Lender is relying on this representation in agreeing to make such loans and other extensions of credit pursuant to the Note.

ARTICLE IV

Grantor covenants and agrees that, until the Termination Date, it will perform, comply with and be bound by the obligations set forth below.

SECTION 4.1. As to Accounts.

(a) [Reserved.]

(b) Grantor shall not adjust, settle, or compromise the amount or payment of any Receivable, nor release wholly or partly any account debtor or obligor thereof, nor allow any credit or discount thereon, except as permitted by the Note; provided that, the Grantor may make such adjustments, settlements or compromises and release wholly or partly any account debtor or obligor thereof and allow any credit or discounts thereon so long as (i) no Event of Default has occurred and is continuing, (ii) such action is taken in the ordinary course of business and consistent with past practices, and (iii) such action is, in Grantor's good faith business judgment, commercially reasonable.

SECTION 4.2. As to Grantor's Use of Collateral.

(a) Subject to the Note and clause (b) below, Grantor (i) may in the ordinary course of its business, at its own expense use and operate the Collateral, (ii) shall, at its own expense, endeavor to collect in the ordinary course of business consistent with past practices, as and when due, all amounts due with respect to any of the Collateral, including the taking of such action with respect to such collection as the Lender may reasonably request in writing following the occurrence and during the continuance of an Event of Default, and (iii) may grant, in the ordinary course of business, to any party obligated on any of the Collateral, any rebate, refund or allowance to which such party may be lawfully entitled.

(b) At any time following the occurrence and during the continuance of an Event of Default as notified in writing by Lender to Grantor, whether before or after the maturity of any of the Obligations, Lender may (i) revoke any or all of the rights of Grantor set forth in clause (a), (ii) notify any parties obligated on any of the Collateral to make payment to the Lender of any amounts due or to become due thereunder, and (iii) enforce collection of any of the Collateral by suit or otherwise and surrender, release, or exchange all or any part thereof, or compromise or extend or renew for any period (whether or not longer than the original period) any indebtedness thereunder or evidenced thereby.

(c) Upon written request of the Lender following the occurrence and during the continuance of an Event of Default, Grantor will, at its own expense, notify any parties obligated on any of the Collateral to make payment to the Lender of any amounts due or to become due thereunder.

(d) At any time following the occurrence and during the continuation of an Event of Default, the Lender may endorse, in the name of the Grantor, any item, howsoever received by the Lender, representing any payment on or other Proceeds of any of the Collateral.

SECTION 4.3. As to Equipment and Inventory. Grantor hereby agrees that it shall

(a) keep all of the Equipment and Inventory located in a jurisdiction within the United States of America and Canada where all representations and warranties set forth in Article III shall be true and correct in all material respects with respect to such Collateral, and (b) pay promptly when due all property and other taxes, assessments and governmental charges or levies imposed upon, and all claims (including claims for labor, materials and supplies) against, the Equipment and Inventory, except to the extent the validity thereof is being contested in good faith by appropriate proceedings and for which adequate reserves in accordance with GAAP have been set aside.

SECTION 4.4. As to Intellectual Property Collateral. Grantor covenants and agrees to comply with the following provisions as such provisions relate to any Intellectual Property Collateral material to the operations or business of Grantor:

(a) Grantor will not (i) do or fail to perform any act whereby any material Patent Collateral may lapse or become abandoned or dedicated to the public, (ii) permit any of its licensees to (A) fail to continue to use any of the material Trademark Collateral in order to maintain all of the material Trademark Collateral in full force free from any claim of abandonment for non-use, (B) fail to employ all of the material Trademark Collateral registered with any federal authority with an appropriate notice of such registration, (C) use any of the material Trademark Collateral registered with any federal, state or foreign authority except in material compliance with the uses for which registration or application for registration of all of the material Trademark Collateral has been made, or (D) do or permit any act or knowingly omit to do any act whereby any of the federally registered material Trademark Collateral may lapse or become invalid, or (iii) do or permit any act or knowingly omit to do any act whereby any of the material Copyright Collateral or any of the material Trade Secrets Collateral may lapse or become invalid or placed in the public domain except upon expiration of the end of an unrenuable term of a registration thereof, unless, in the case of any of the foregoing requirements in clauses (i), (ii) and (iii), Grantor shall reasonably and in good faith determine that any of such Intellectual Property Collateral is of negligible economic value to Grantor is no longer used or useful in Grantor's business;

(b) Grantor shall promptly notify the Lender if it knows that any application or registration relating to any material item of federally registered Intellectual Property Collateral has become abandoned or dedicated to the public or placed in the public domain or invalid or of any adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the USPTO, the U.S. Copyright Office) regarding Grantor's ownership of any of the Intellectual Property Collateral, its right to register the same or to keep and maintain and enforce the same;

(c) in the event Grantor or any of its agents, employees, designees or licensees files an application for the registration of any material Intellectual Property Collateral with the USPTO, or the U.S. Copyright Office, it will promptly inform the Lender, and upon request of the Lender (subject to the terms of the Note), execute and deliver all agreements, instruments and documents as the Lender may reasonably request in writing to evidence the Lender's security interest in such Intellectual Property Collateral;

(d) Grantor will take all necessary steps, including in any proceeding before the USPTO, or the U.S. Copyright Office (subject to the terms of the Note), to maintain and pursue any application (and to obtain the relevant registration) filed with respect to, and to maintain any registration of, each material Intellectual Property Collateral, including the filing of applications for renewal, affidavits of use, affidavits of incontestability and opposition, interference and cancellation proceedings and the payment of fees and taxes (except to the extent that dedication, abandonment or invalidation is permitted under the foregoing clause (a) or (b));

(e) following the obtaining of an interest in any material Intellectual Property Collateral by Grantor, Grantor shall deliver a supplement to Schedule III identifying new Intellectual Property Collateral; and

(f) following the obtaining of an interest in any material Intellectual Property Collateral by Grantor or, following the occurrence and during the continuance of an Event of Default, upon the written request of the Lender, Grantor shall deliver all agreements, instruments and documents the Lender may reasonably request in writing to evidence the Lender's security interest in such Intellectual Property Collateral and as may otherwise be required to acknowledge or register or perfect the Lender's interest in any part of such item of Intellectual Property Collateral unless Grantor shall determine in good faith (with the consent of the Lender) that any Intellectual Property Collateral is of negligible economic value to Grantor.

SECTION 4.5. As to Letter of Credit Rights.

(a) Grantor, by granting a security interest in its Letter of Credit Rights to the Lender, intends to (and hereby does) collaterally assign to the Lender its rights (including its contingent rights) to the Proceeds of all Letter of Credit Rights of which it is or hereafter becomes a beneficiary or assignee. Grantor will comply with the reporting requirements related to letters of credit in the Note. With respect to letters of credit having a face amount in excess of \$25,000, Grantor will, upon written request of Lender, request that the issuer and each nominated person (if any) with respect thereto consent to an assignment of the Proceeds thereof in a consent agreement in form and substance reasonably satisfactory to the Lender.

(b) After the occurrence of an Event of Default, Grantor will, promptly upon written request by the Lender, (i) notify (and Grantor hereby authorizes the Lender to notify) the issuer and each nominated person with respect to each of the Letters of Credit that the Proceeds thereof have been assigned to the Lender hereunder and any payments due or to become due in respect thereof are to be made directly to the Lender and (ii) arrange for the Lender to become the transferee beneficiary of each Letter of Credit.

SECTION 4.6. As to Commercial Tort Claims. Grantor covenants and agrees that, until the Termination Date, it shall deliver to the Lender a supplement to Schedule II in form and substance reasonably satisfactory to the Lender, identifying such new Commercial Tort Claims if Grantor's claim thereunder exceeds \$25,000.

SECTION 4.7. As to Electronic Chattel Paper and Transferable Records. If Grantor at any time holds or acquires an interest in any electronic chattel paper or any "transferable record," as that term is defined in Section 201 of the U.S. Federal Electronic Signatures in Global and National Commerce Act, or in Section 16 of the U.S. Uniform Electronic Transactions Act as in effect in any relevant jurisdiction, in each case having a value exceeding \$10,000, Grantor shall promptly notify the Lender thereof and, at the written request of the Lender, shall take such action as the Lender may request in writing to vest in the Lender control under Section 9-105 of the UCC of such electronic chattel paper or control under Section 201 of the Federal Electronic Signatures in Global and National Commerce Act or, as the case may be, Section 16 of the Uniform Electronic Transactions Act, as so in effect in such jurisdiction, of such transferable record. The Lender agrees with Grantor that the Lender will

arrange, pursuant to procedures reasonably satisfactory to the Lender and so long as such procedures will not result in the Lender's loss of control, for Grantor to make alterations to the electronic chattel paper or transferable record permitted under Section 9-105 of the UCC or, as the case may be, Section 201 of the U.S. Federal Electronic Signatures in Global and National Commerce Act or Section 16 of the U.S. Uniform Electronic Transactions Act for a party in control to allow without loss of control, unless an Event of Default has occurred and is continuing or would occur after taking into account any action by Grantor with respect to such electronic chattel paper or transferable record.

SECTION 4.8. Transfers and Other Liens. The Grantor shall not: (a) except as permitted by the Note, this Security Agreement or any other Loan Document, sell, transfer, convey, assign or otherwise dispose of any of its assets or properties, including its Accounts or any Shares or engage in any sale-leaseback, synthetic lease or similar transaction (provided, that the foregoing shall not prohibit the sale of Inventory in the ordinary course of its business or obsolete or unnecessary Equipment provided such Equipment is not Eligible Equipment), or (b) create or suffer to exist any Lien or other charge or encumbrance upon or with respect to any of the Collateral to secure Indebtedness of any person or entity, except for the security interest created by this Security Agreement and except for Permitted Encumbrances.

SECTION 4.9. Further Assurances, etc. Grantor warrants and shall defend the right and title herein granted unto the Lender in and to the Collateral (and all right, title and interest represented by the Collateral) against the claims and demands of all persons whomsoever, subject to Permitted Encumbrances. Grantor agrees that, from time to time at its own expense, it will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or that the Lender may reasonably request in writing, in order to perfect, preserve and protect any security interest granted or to enable the Lender to exercise and enforce its rights and remedies hereunder with respect to any Collateral subject to the terms hereof. Grantor agrees that, upon the acquisition after the date hereof by Grantor of any Collateral, with respect to which the security interest granted hereunder is not perfected automatically upon such acquisition, to take such actions with respect to such Collateral or any part thereof as required by the Loan Documents. Without limiting the generality of the foregoing, Grantor will:

(a) if any Collateral shall be evidenced by an Instrument, negotiable Document, promissory note or tangible Chattel Paper and any obligations thereunder exceed \$25,000, deliver and pledge to the Lender hereunder such Instrument, negotiable Document, promissory note, Pledged Note or tangible Chattel Paper duly endorsed and accompanied by duly executed instruments of transfer or assignment, all in form and substance reasonably satisfactory to the Lender;

(b) authorize and hereby does authorize the Lender to file such filing statements or continuation statements, or amendments thereto, and such other instruments or notices (including any assignment of claim form under or pursuant to the federal assignment of claims statute, 31 U.S.C. § 3726, any successor or amended version thereof or any regulation promulgated under or pursuant to any version thereof), as may be necessary in order to perfect and preserve the security interests and other rights granted or purported to be granted to the

Lender hereby. **The authorization contained in this Section 4.9 is irrevocable and continuing until the Termination Date;**

(c) deliver to the Lender and at all times keep pledged to the Lender pursuant hereto, on a first priority, perfected basis (except for Permitted Encumbrances), at the request of the Lender, all Investment Property constituting Collateral, all Distributions permitted by the Note with respect thereto and all interest and principal with respect to promissory notes, and all Proceeds and rights from time to time received by or distributable to Grantor in respect of any of the foregoing Collateral;

(d) not take or omit to take any action the taking or the omission of which would result in any material impairment of any obligation of the maker of any Receivable, Account or other Instrument constituting Collateral, except as provided in Section 4.1 or otherwise permitted by the Security Agreement or Note;

(e) after the date hereof, not create any tangible Chattel Paper without placing a legend on such tangible Chattel Paper reasonably acceptable to the Lender indicating that the Lender has a security interest in such Chattel Paper;

(f) furnish to the Lender, from time to time at the Lender's reasonable written request, statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Lender may reasonably request in writing, all in reasonable detail; and

(g) do all things reasonably requested by the Lender in writing and in accordance with this Security Agreement and the Note in order to enable the Lender to have and maintain control over the Collateral consisting of Investment Property, Deposit Accounts, Letter of Credit Rights and Electronic Chattel Paper.

Grantor agrees that a UCC financing statement in the form required by the UCC and describing the Collateral or any part thereof filed with the Secretary of State of Oregon or Nevada, as applicable, shall be sufficient as a UCC financing statement. Grantor hereby authorizes the Lender to file financing statements describing as the collateral covered thereby "all of the debtor's personal property or assets" or words to that effect, notwithstanding that such wording may be broader in scope than the Collateral described in this Security Agreement.

ARTICLE V

SECTION 5.1. Lender Appointed Attorney in Fact. For so long as this Agreement is in effect, Grantor hereby irrevocably appoints the Lender its attorney in fact, with full authority in the place and stead of Grantor and in the name of Grantor or otherwise, from time to time in the Lender's discretion, following the occurrence and during the continuance of an Event of Default, to take any action and to execute any instrument which the Lender may deem necessary or advisable to accomplish the purposes of this Security Agreement, including (a) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral, (b) to receive, endorse, and collect any drafts or other Instruments, Documents and Chattel Paper, in connection with clause (a) above, (c) to file any claims or take any action or institute any proceedings which

the Lender may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Lender with respect to any of the Collateral, and (d) to perform the affirmative obligations of Grantor hereunder to the extent the Grantor has failed to perform such obligations after being notified by Lender. **GRANTOR HEREBY ACKNOWLEDGES, CONSENTS AND AGREES THAT THE POWER OF ATTORNEY GRANTED PURSUANT TO THIS SECTION 5.1 IS IRREVOCABLE AND COUPLED WITH AN INTEREST AND SHALL BE EFFECTIVE UNTIL THE TERMINATION DATE.**

SECTION 5.2. Lender May Perform. If Grantor fails to perform any agreement contained herein, following the expiration of any applicable grace or cure period, the Lender may itself perform, or cause performance of, such agreement, and the expenses of the Lender incurred in connection therewith shall be payable by Grantor pursuant to the Note and the Lender may after the occurrence and continuance of an Event of Default, from time to time take any other action which the Lender reasonably deems necessary for the maintenance, preservation or protection of any of the Collateral or of its security interest.

SECTION 5.3. Lender Has No Duty. The powers conferred on the Lender hereunder are solely to protect its interest in the Collateral and shall not impose any duty on it to exercise any such powers. Except for reasonable care and custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Lender shall have no duty as to any Collateral or responsibility for (a) ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relative to any Investment Property and any other Pledged Property, whether or not the Lender has or is deemed to have knowledge of such matters, or (b) taking any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral.

SECTION 5.4. Reasonable Care. The Lender is required to exercise reasonable care in the custody and preservation of any of the Collateral in its possession; provided, that the Lender shall be deemed to have exercised reasonable care in the custody and preservation of any of the Collateral (a) if such Collateral is accorded treatment substantially equal to that which the Lender accords its own personal property and in accordance with applicable law, or (b) if the Lender takes such action for that purpose as the Grantor reasonably requests in writing at times other than upon the occurrence and during the continuance of an Event of Default; provided, further, that failure of the Lender to comply with any such written request at any time shall not in itself be deemed a failure to exercise reasonable care.

ARTICLE VI

SECTION 6.1. Certain Remedies. If any Event of Default shall have occurred and be continuing:

(a) The Lender may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a Lender on default under the UCC (whether or not the UCC applies to the affected Collateral) and also may (i) take possession of any Collateral not already in its possession without demand and without legal process subject to applicable laws, (ii) require Grantor to, and Grantor hereby

agrees that it will, at its expense and upon written request of the Lender forthwith, assemble all or part of the Collateral as directed by the Lender and make it available to the Lender at a place to be designated by the Lender that is reasonably convenient to both parties, (iii) subject to applicable law or agreements with landlords, enter onto the property where any Collateral is located and take possession thereof without demand and without legal process, and (iv) subject to applicable laws, without notice except as specified below, lease, license, sell or otherwise dispose of the Collateral or any part thereof in one or more parcels at public or private sale, at any of the Lender's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Lender may deem commercially reasonable. Grantor agrees that, to the extent notice of sale shall be required by law, at least ten (10) days' prior notice to Grantor of the time and place of any public sale or the time of any private sale is to be made shall constitute reasonable notification; provided, however, that with respect to Collateral that is (x) perishable or threatens to decline speedily in value, or (y) is of a type customarily sold on a recognized market (including but not limited to, Investment Property), no notice of sale or disposition need be given. For purposes of this Article VI, notice of any intended sale or disposition of any Collateral may be given by certified mail, return receipt requested, hand-delivery (through a delivery service or otherwise), facsimile or email (with such facsimile or email confirmed by delivery of a copy by mail or hand-delivery as otherwise provided in this Section 6.1(a)), and shall be deemed to have been "sent" upon deposit in the U.S. Mails with adequate postage properly affixed, upon delivery to an express delivery service or upon electronic submission through telephonic or internet services, as applicable. The Lender shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Lender may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(b) Grantor agrees and acknowledges that (i) Lender may remove the Collateral or any part thereof from property in accordance with statutory law appertaining thereto without objection, delay, hindrance or interference by Grantor and in such case Grantor will make no claim or demand whatsoever against the Collateral, (ii) it will (x) cooperate with Lender in its efforts to assemble and/or remove all of the Collateral; (y) permit Lender and its agents to enter upon property and occupy the property at any or all times to conduct an auction or sale, to the extent permitted by Grantor's landlord, and/or to inspect, audit, examine, safeguard, assemble, appraise, display, remove, maintain, prepare for sale or lease, repair, lease, transfer, auction and/or sell the Collateral; and (z) not hinder Lender's actions in enforcing its security interest in the Collateral.

(c) Grantor agrees and acknowledges that a commercially reasonable disposition of Inventory, Equipment, Goods, Computer Hardware and Software Collateral, or Intellectual Property Collateral may be by lease or license of, in addition to the sale of, such Collateral. Grantor further agrees and acknowledges that the following shall be deemed a reasonable commercial disposition: (i) a disposition made in the usual manner on any recognized market, (ii) a disposition at the price current in any recognized market at the time of disposition, and (iii) a disposition in conformity with reasonable commercial practices among dealers in the type of property subject to the disposition, in each case, subject to applicable laws.

(d) All cash Proceeds received by the Lender in respect of any sale of, collection from, or other realization upon, all or any part of the Collateral shall be applied by the Lender against, all or any part of the Obligations as determined by the Lender in its sole discretion. The Lender shall not be obligated to apply or pay over for application noncash proceeds of collection or enforcement unless (i) the failure to do so would be commercially unreasonable, and (ii) the affected party has provided the Lender with a written demand to apply or pay over such noncash proceeds on such basis.

(e) The Lender may do any or all of the following: (i) transfer all or any part of the Collateral into the name of the Lender or its nominee, with or without disclosing that such Collateral is subject to the Lien hereunder, (ii) notify the parties obligated on any of the Collateral to make payment to the Lender of any amount due or to become due thereunder, (iii) [Reserved], (iv) enforce collection of any of the Collateral by suit or otherwise, and surrender, release or exchange all or any part thereof, or compromise or extend or renew for any period (whether or not longer than the original period) any obligations of any nature of any party with respect thereto, (v) endorse any checks, drafts, or other writings in the applicable Grantor's name to allow collection of the Collateral, (vi) take control of any Proceeds of the Collateral, or (vii) execute (in the name, place and stead of Grantor) endorsements, assignments, stock powers and other instruments of conveyance or transfer with respect to all or any of the Collateral.

SECTION 6.2. Compliance with Restrictions. Grantor agrees that in any sale of any of the Collateral whenever an Event of Default shall have occurred and be continuing, the Lender is hereby authorized to comply with any limitation or restriction in connection with such sale as it may be advised by counsel is necessary in order to avoid any violation of applicable law (including compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that such prospective bidders and purchasers have certain qualifications, and restrict such prospective bidders and purchasers to persons who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of such Collateral), or in order to obtain any required approval of the sale or of the purchaser by any governmental authority or official, and Grantor further agrees that such compliance shall not result in such sale being considered or deemed not to have been made in a commercially reasonable manner, nor shall the Lender be liable nor accountable to Grantor for any discount allowed by the reason of the fact that such Collateral is sold in compliance with any such limitation or restriction.

SECTION 6.3. Indemnity and Expenses. To the maximum extent permitted by law, Grantor hereby indemnifies and holds harmless the Lender, and each of its officers, directors, employees and agents (the “**Indemnified Parties**”) from and against any and all claims, damages, losses and liabilities arising out of or resulting from this Security Agreement or any other Loan Document (including, without limitation, enforcement of this Security Agreement), except claims, losses or liabilities that are found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct. If and to the extent that the foregoing undertaking may be unenforceable for any reason, Grantor hereby agrees to make the maximum contribution to the payment and satisfaction of each of the foregoing which is permissible under applicable law.

SECTION 6.4. Warranties. To the extent permitted by law, the Lender may sell the Collateral without giving any warranties or representations as to the Collateral. The Lender may disclaim any warranties of title or the like. Grantor agrees to the extent permitted by applicable law, that this procedure will not be considered to adversely affect the commercial reasonableness of any sale of the Collateral.

ARTICLE VII

SECTION 7.1. Loan Document. This Security Agreement is a Loan Document executed pursuant to the Note and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions thereof.

SECTION 7.2. Binding on Successors, Transferees and Assigns; Assignment. This Security Agreement shall remain in full force and effect until the Termination Date has occurred, shall be binding upon Grantor and its successors, transferees and assigns and, subject to the limitations set forth in the Note, shall inure to the benefit of and be enforceable by Lender and its successors, transferees and assigns as permitted by the Note; provided that, Grantor shall not assign any of its obligations hereunder (unless otherwise permitted under the terms of the Note or this Security Agreement).

SECTION 7.3. Amendments, etc. No amendment to or waiver of any provision of this Security Agreement, nor consent to any departure by Grantor from its obligations under this Security Agreement, shall in any event be effective unless the same shall be in writing and signed by the Lender and Grantor and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

SECTION 7.4. Notices. Except as otherwise provided in this Security Agreement, all notices and other communications provided for hereunder shall be in writing and hand delivered with written receipt, telecopied, sent by facsimile (with a hard copy sent as otherwise permitted pursuant to the Note), sent by a nationally recognized overnight courier, or sent by certified mail, return receipt requested, (i) if to the Lender, at the address or facsimile number of the Lender specified in the Note, (ii) if to the Grantor to the address set forth on the signature page of this Security Agreement, or (iii) at such other address or facsimile number as may be designated by such party in a notice to the other party. Except as otherwise provided in this Security Agreement, all such notices and communications shall be effective when delivered.

SECTION 7.5. No Waiver; Remedies. In addition to, and not in limitation of Section 2.7, no failure on the part of the Lender to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 7.6. Headings. The various headings of this Security Agreement are inserted for convenience only and shall not affect the meaning or interpretation of this Security Agreement or any provisions thereof.

SECTION 7.7. Severability. Any provision of this Security Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such provision and such jurisdiction,

be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Security Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

SECTION 7.8. Counterparts. This Security Agreement may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement. Delivery of an executed counterpart of a signature page to this Security Agreement by facsimile or by electronic transmission in portable document format (PDF) shall be effective as delivery of a manually executed counterpart of this Security Agreement.

SECTION 7.9. Conflicts with Note. To the fullest extent possible, the terms and provisions of the Note shall be read together with the terms and provisions of this Security Agreement so that the terms and provisions of this Security Agreement do not conflict with the terms and provisions of the Note; provided, however, notwithstanding the foregoing, in the event that any of the terms or provisions of this Security Agreement conflict with any terms or provisions of the Note, the terms or provisions of the Note shall govern and control for all purposes; provided that the inclusion in this Security Agreement of terms and provisions, supplemental rights or remedies in favor of the Lender not addressed in the Note shall not be deemed to be in conflict with the Note and all such additional terms, provisions, supplemental rights or remedies contained herein shall be given full force and effect.

SECTION 7.10. Waiver of Jury Trial. GRANTOR HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHTS IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, EACH LOAN DOCUMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF THE LENDER IN CONNECTION THEREWITH. GRANTOR ACKNOWLEDGES AND AGREES THAT IT HAS RECEIVED FULL AND SUFFICIENT CONSIDERATION FOR THIS PROVISION (AND EACH OTHER PROVISION OF EACH OTHER LOAN DOCUMENT TO WHICH IT IS A PARTY) AND THAT THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE LENDER ENTERING INTO THE LOAN DOCUMENTS.

SECTION 7.11. Governing Law; Service of Process. This Security Agreement shall be governed by and construed and enforced in accordance with the laws of the State of New York, except to the extent that the validity or perfection of the security interests hereunder, or remedies hereunder, in respect of any particular Collateral are governed by the laws of a jurisdiction other than the State of New York. Grantor hereby agrees that service of copies of the summons and complaint and any other process which may be served in any such action or proceeding may be made by mailing or delivering a copy of such process to Grantor at its address set forth in this Security Agreement. Nothing in this Section shall affect the rights of the Lender to serve legal process in any other manner permitted by the law or affect the right of the Lender to bring any action or proceeding against the Grantor or its Property in the courts of any other jurisdiction.

SECTION 7.12. Submission to Jurisdiction. EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE JURISDICTION OF THE SUPREME COURT OF THE STATE OF NEW YORK AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, IN EACH CASE SITTING IN NEW YORK COUNTY, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS SECURITY AGREEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND GRANTOR IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING SHALL BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH PARTY HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW.

SECTION 7.13. Waiver of Venue. EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENT, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS SECURITY AGREEMENT IN ANY COURT REFERRED TO IN SECTION 7.12. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENT, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

[Remainder of this page intentionally left blank. Signature pages to follow.]

IN WITNESS WHEREOF, each of the parties hereto has caused this Security Agreement to be duly executed and delivered as of the date first above written.

GRANTOR:

AVENIR SPORTS ENTERTAINMENT CORP.

By: 
Name: William Gallacher
Title: Secretary

I have authority to bind the corporation.

Address for Notices:
808 1 St Sw #300
Calgary, AB T2P 1M9


PORTLAND WINTERHAWKS, INC.

By: 
Name: William Gallacher
Title: Chief Executive Officer and Secretary

I have authority to bind the corporation.

Address for Notices:
300 N Winning Way
Portland, OR 97227

LENDER:**BRIDGING FINANCE INC.**

By: 
Name: *Graham Mow*
Title: *Portfolio Manager*

SCHEDULE I
to Security Agreement

PLEDGED NOTES

None.

SCHEDULE II
to Security Agreement

Item A-1. Location of Grantor for purposes of UCC.

a. Avenir Sports Entertainment Corp.:

Nevada

b. Portland Winter Hawks, Inc.:

Oregon

Item A-2. Grantor's place of business or principal office.

a. Avenir Sports Entertainment Corp.:

808 1 St Sw #300

City: Calgary

Province: Alberta, Canada

Postal Code: T2P 1M9

b. Portland Winter Hawks, Inc.:

300 N Winning Way, Portland, OR 97227, USA

Item A-3. Grantor's Taxpayer ID number.

a. Avenir Sports Entertainment Corp.:

26-3812366

b. Portland Winter Hawks, Inc.:

93-0667055

Item B. Merger or other corporate reorganization.

a. Avenir Sports Entertainment Corp. –

None.

b. Portland Winter Hawks, Inc. –

None.

Item C. Deposit Accounts and Securities Accounts.

a. Avenir Sports Entertainment Corp.:

Type of Account	Bank or Broker	Address	Account No.
Chequing	Bank of the West	905 NE Halsey St. Portland, OR 97232	146022827

b. Portland Winter Hawks, Inc.:

Type of Account	Bank or Broker	Address	Account No.
Chequing	Banner Bank	101 SW Main St. Portland, OR 97204	7606057029
Chequing	Bank of the West	905 NE Halsey St. Portland, OR 97232	146022827
Chequing	Royal Bank of Canada	Vancouver, BC V6E3N9	1733286

Item D. Letter of Credit Rights.

a. Avenir Sports Entertainment Corp.:

None.

b. Portland Winter Hawks, Inc.:

None.

Item E. Commercial Tort Claims.

a. Avenir Sports Entertainment Corp.:

None.

b. Portland Winter Hawks, Inc.:

None.

SCHEDULE III – A
to Security Agreement

INTELLECTUAL PROPERTY COLLATERAL

Item A. Patent Collateral.

a. Avenir Sports Entertainment Corp.:

None.

b. Portland Winter Hawks, Inc.:

None.

SCHEDULE III – B
to Security Agreement

INTELLECTUAL PROPERTY COLLATERAL

Item B. Trademark Collateral

a. Avenir Sports Entertainment Corp.:

None.

b. Portland Winter Hawks, Inc.:

None.

SCHEDULE III – C
to Security Agreement

INTELLECTUAL PROPERTY COLLATERAL

Item C. Copyright Collateral.

a. Avenir Sports Entertainment Corp.:

None.

b. Portland Winter Hawks, Inc.:

None.

**THIS IS EXHIBIT "L" TO
THE AFFIDAVIT OF LEKAN TEMIDIRE
SWORN BEFORE ME THIS 28TH
DAY OF APRIL, 2020**



A Commissioner etc.

PLEDGE AND SECURITY AGREEMENT

THIS PLEDGE AND SECURITY AGREEMENT dated as of December 14, 2018 (this “**Agreement**”), is made by **AUDIBLE CAPITAL CORP.** (the “**Pledgor**”), to and in favour of **BRIDGING FINANCE INC.**, as agent (the “**Lender**”).

WHEREAS:

- A. The Lender entered into a grid promissory note dated December 14, 2018, as lender, with the Pledgor, Avenir Trading Corp., 1892244 Alberta Ltd., Avenir Sports International Corporation, 1957932 Alberta Ltd., Avenir Sports Entertainment Ltd., Avenir Sports Entertainment Corp. and Portland Winter Hawks, Inc. (collectively, the “**Borrowers**”), as borrowers, as the same may be amended, varied, supplemented, restated, renewed or replaced at any time and from time to time (the “**Promissory Note**”);
- B. The Pledgor is at the date hereof the legal and beneficial owner of the Equity Securities described in Schedule A hereto (the “**Specifically Pledged Collateral**”);
- C. Pursuant to the terms of the Promissory Note and certain other documents required to be delivered pursuant thereto, the Borrowers owe, and in the future may owe, Obligations to the Lender from time to time under the Promissory Note; and
- D. The Pledgor has agreed to execute and deliver this Agreement to and in favour of the Lender as continuing security for the due, prompt and complete payment, performance and satisfaction of all of the Obligations.

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the premises and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto), the Pledgor hereby covenants and agrees in favour of the Lender as follows:

ARTICLE 1. **INTERPRETATION**

1.1 Interpretation

Unless otherwise defined herein or the context otherwise requires, capitalized terms used herein which are not otherwise defined herein shall have the meanings provided in the Promissory Note. Additionally, in this Agreement, unless something in the subject matter or context is inconsistent therewith,

- (a) “**Adverse Claim**” has the meaning given to it in the STA;
- (b) “**Agreement**” has the meaning given to it in the recitals;
- (c) “**Certificated Security**” has the meaning given to it in the STA;

- (d) **“Collateral”** means that term as defined in Section 2.1 hereof and, unless the context shall otherwise require, any reference to the Collateral herein shall be deemed to include a reference to any part of the Collateral;
- (e) **“Control”** has the meaning given to it in the STA;
- (f) **“Equity Securities”** means with respect to any person, any and all shares, units, interest, participations, rights in, or other equivalents (however designated and whether voting and non-voting) of, such persons, whether outstanding on the date hereof or issued after the date hereof, including any LLC/Partnership Interest and any beneficial interest in a trust, and any and all rights, warrants, options or other rights exchangeable for or convertible into any of the foregoing;
- (g) **“Financial Asset”** has the meaning given to it in the STA;
- (h) **“Issuer Governing Agreement”** means any agreement governing an Issuer of the affairs of an Issuer, including without limitation, any shareholders’ agreement or a partnership agreement;
- (i) **“Issuers”** means all of the companies, corporations, unlimited liability corporations, partnerships and limited partnerships identified as Issuers in Schedule A hereto, and **“Issuer”** means any one of them;
- (j) **“Lender”** has the meaning given to it in the recitals;
- (k) **“LLC/Partnership Interests”** means any interest in a partnership, limited partnership or limited liability company which is not a Security;
- (l) **“Obligations”** means all obligations of the Pledgor to the Lender, including but not limited to all debts and liabilities, whether present or future, direct or indirect, absolute or contingent, matured or not, joint or several and joint and several, at any time due or accruing due or owing by the Pledgor to the Lender, under the Promissory Note and any other Loan Document to which the Pledgor is a party;
- (m) **“Pledgor”** has the meaning given to it in the recitals;
- (n) **“PPSA”** means the *Personal Property Security Act*, (Alberta), as such legislation may be amended, renamed or replaced from time to time (and includes all regulations from time to time under such legislation);
- (o) **“Proceeds”** means any and all Goods, Investment Property, Instruments, Documents of Title, Chattel Paper, Intangibles and Money derived or arising from any dealing with the Collateral or any proceeds thereof, and includes any payment representing indemnity or compensation for loss of or damage to any such property;
- (p) **“Promissory Note”** has the meaning given to it in the recitals;

- (q) “**Security**” has the meaning given to it in the STA;
- (r) “**Security Interest**” means that term as defined in Section 2.1 hereof;
- (s) “**Specifically Pledged Collateral**” has the meaning given to it in the recitals;
- (t) “**STA**” means the *Securities Transfer Act* (Alberta), as such legislation may be amended, renamed or replaced from time to time (and includes all regulations from time to time under such legislation); and
- (u) “**Uncertificated Security**” has the meaning given to it in the STA.

Unless the context otherwise requires, the terms “**Accession**”, “**Account**”, “**Chattel Paper**”, “**Consumer Goods**”, “**Crops**”, “**Documents of Title**”, “**Goods**”, “**Inventory**”, “**Investment Property**”, “**Instruments**”, “**Intangibles**” and “**Money**” shall have the meanings given to such terms in the PPSA.

1.2 Sections and Headings

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Agreement. The terms “this Agreement”, “hereof”, “hereunder” and similar expressions refer to this Agreement in its entirety and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Agreement.

1.3 Extended Meanings

In this Agreement words importing the singular number only include the plural and *vice versa*, words importing any gender include all genders and words importing persons include individuals, partnerships, associations, trusts, unincorporated organizations and corporations.

ARTICLE 2. SECURITY INTEREST

2.1 Creation of Security Interest

As general and continuing security for the payment and performance of the Obligations, the Pledgor hereby grants, mortgages, assigns, transfers, charges, pledges and hypothecates in favour of the Lender and grants to the Lender as and by way of a fixed and specific mortgage and charge, and grants to the Lender a security interest (collectively, the “**Security Interest**”) in all of the Pledgor’s present and future right, title and interest in and to the following (collectively, the “**Collateral**”):

- (a) the Specifically Pledged Collateral;

- (b) Equity Securities in the Issuers, in or to which the Pledgor now or hereafter has any right, title, estate, interest or benefit;
- (c) with respect to the property described above, all certificates and other records in any form, evidencing or relating thereto and all agreements, and other rights, privileges and benefits to which the Pledgor may now be or hereafter become entitled as a holder of the property or otherwise in connection therewith, including, without limitation:
 - (i) all voting rights;
 - (ii) any and all Equity Securities received in connection with any dividend or other distribution;
 - (iii) any and all Equity Securities issued in exchange for such property, or any part thereof, as provided in any recapitalization, reorganization or similar transaction;
 - (iv) any and all returns of capital payable in respect of any of the foregoing upon a purchase, cancellation, termination, liquidation, dissolution, winding-up or similar event; and
 - (v) any and all dividends, income or other distributions payable in connection with any of the property described in this Section 2.1, whether such dividends, income or other distributions are paid or distributed in cash or other property,
- (d) any and all Goods, Investment Property, Instruments, Documents of Title, Chattel Paper, Intangibles and Money which may:
 - (i) hereafter be acquired by or issued to the Pledgor in renewal of, substitution for, as owner of or otherwise in connection with any of the property described above; or
 - (ii) accrue on, be derived from or offered in respect of any of the property described above,
- (e) any and all Proceeds of any of the property described above.

2.2 Attachment

Except as may otherwise be agreed in writing by the Lender, the Security Interest shall attach, in the case of after-acquired property, immediately upon the Pledgor obtaining rights in such property and, in all other cases, upon the execution hereof.

ARTICLE 3.
OBLIGATIONS SECURED

3.1 Obligations Secured

The Security Interest shall constitute general and continuing security for the payment and performance of the Obligations.

ARTICLE 4.
REPRESENTATIONS AND WARRANTIES

4.1 Representations And Warranties of the Pledgor

The Pledgor hereby represents and warrants to the Lender and, so long as this Agreement remains in effect, shall be deemed to continuously represent and warrant to the Lender that:

- (a) the Pledgor is the legal and beneficial owner of and has good and valid title to the Specifically Pledged Collateral, free and clear of all encumbrances and any other claims whatsoever;
- (b) with the exception of the Lender, no person has an agreement or option or any right or privilege capable of becoming an agreement or option to acquire any right or interest in the Collateral;
- (c) as of the date hereof, the Pledgor has good right, full power and absolute authority to create the Security Interest in the Collateral in the manner contemplated herein;
- (d) there has been no breach or default under any Issuer Governing Agreement of which the Pledgor is aware, nor is there presently any dispute under or relating to any Issuer Governing Agreement of which the Pledgor is aware;
- (e) the Pledgor has complied with and duly observed and performed all of the covenants, obligations and conditions of the Pledgor as set forth in any Issuer Governing Agreement which are to have been observed and performed at the date hereof and there exists no state of facts of which the Pledgor is aware which would entitle any other shareholder to dispute any payment to the Pledgor or refuse to perform any obligation under any such Issuer Governing Agreement;
- (f) the address of the Pledgor's chief executive office or principal place of residence, as may be applicable, is as follows:

- (g) the jurisdiction of each of the Issuers is set out in Schedule A hereto;

- (h) the full, true and correct name of the Pledgor, including any French or combined English and French form of such name, is as set out on the execution page hereof;
- (i) none of the Collateral is subject to:
 - (i) any escrow, pooling or similar agreement or arrangement or any other restriction on transferability; or
 - (ii) any restriction on the voting rights associated therewith;
- (j) the Specifically Pledged Collateral has been validly issued and is fully paid and non-assessable and the Pledgor has all necessary right, power and/or requisite corporate capacity and authority to pledge and deliver the Collateral; and
- (k) all required filings, proceedings, approvals, permits, consents, orders and authorizations have been made, taken or obtained:
 - (i) in connection with the entering into of this Agreement, the creation of the Security Interest and the fulfilment of the obligations of the Pledgor hereunder; and
 - (ii) to permit the transfer to the Lender, or its nominee, of the Specifically Pledged Collateral and any other Equity Securities, Instruments and Documents of Title forming part of the Collateral from time to time, including pursuant to any Issuer Governing Agreement;
- (l) all necessary corporate and partnership action has been taken by the Issuer to authorize the execution and delivery by the Pledgor of this Agreement, the pledge and delivery of the Collateral as contemplated herein, the transfer of any Equity Securities forming a part thereof into the name of the Lender and the transfer of any Equity Securities forming part of the Collateral by the Lender to any third party in the course of realizing upon the security constituted by this Agreement; and
- (m) the Pledgor has disclosed to the Lender all facts known to the Pledgor relating to the Collateral which could reasonably be expected to be material to a potential purchaser of, or a person acquiring a security interest in, the Collateral.

The representations and warranties contained in this Agreement shall be deemed to be repeated each time any additional Collateral becomes subject to the Security Interest.

ARTICLE 5.
COVENANTS OF THE PLEDGOR

5.1 General Covenants

The Pledgor agrees that it shall, unless otherwise expressly specified in the Promissory Note:

- (a) at all times observe and perform each and every one of its obligations under any and all Issuer Governing Agreements;
- (b) pay and satisfy all Obligations as and when the same become due;
- (c) promptly notify the Lender of any lien or other claim made or asserted against any of the Collateral including any Adverse Claims;
- (d) defend its title to the Collateral and the Security Interest in the Collateral against any and all claims and demands whatsoever including any Adverse Claim;
- (e) from time to time, at its expense, execute, endorse, acknowledge and deliver up to the Lender, all such proxies, stock powers, instruments and other documents and take all such actions (including, without limitation, obtaining all governmental, corporate and other consents or authorizations) and do or cause to be done all such other things as the Lender may, from time to time, deem necessary or advisable or request in order to give full effect to this Agreement and to secure the rights intended to be granted to the Lender hereunder; and
- (f) at the request of the Lender, enforce any and all remedies available to the Pledgor under any Issuer Governing Agreement to the full extent provided therein.

5.2 Negative Covenants

The Pledgor agrees that it shall not, unless otherwise expressly permitted under the Promissory Note:

- (a) vote to enable, or take any other action to permit, the Issuer to issue any Equity Securities of any nature or to issue any other securities convertible into or granting the right to purchase or exchange for any Equity Securities of any nature of any Issuer;
- (b) sell, transfer, assign, grant any option or any beneficial interest in respect of or otherwise alienate or dispose of any of the Pledgor's right, title or interest in or to the Collateral;
- (c) create, assume or permit to exist any lien upon the Collateral;
- (d) enter into any agreement or undertaking restricting the right or ability of the Pledgor or the Lender to sell, assign or transfer any of the Collateral;

- (e) change its name without giving 15 Business Days prior written notice to the Lender of the new name and the date upon which such change of name is to take effect;
- (f) locate any Certificated Securities forming part of the Collateral outside the Province of Alberta or Province of Ontario;
- (g) deliver or grant Control over any Investment Property forming part of the Collateral to any person other than the Lender; or
- (h) other than as requested by the Lender, amend or permit any amendment to any Issuer Governing Agreement, except any amendment to any Issuer Governing Agreement which is outside of the control of the Pledgor.

5.3 Registration of Collateral in the Name of the Lender or Nominee

The Pledgor shall, at the request of the Lender upon the occurrence of a demand pursuant to the Promissory Note or an Event of Default which is continuing, cause such of the Collateral as is registrable to be registered in the name of the Lender or its nominee and authorizes the Lender to transfer such Collateral into the name of the Lender or its nominee, so that the Lender or its nominee may appear as the sole owner of record of such Collateral. The Pledgor shall further, at the request of the Lender, deliver to the Lender appropriate powers of attorney for transfer in blank in respect of such of the Collateral.

5.4 Control of Instruments, Securities, etc.

- (a) The Pledgor shall promptly deliver to the Lender, to be held by the Lender hereunder, all Certificated Securities, certificated LLC/Partnership Interests, Instruments and Documents of Title in its possession or control which pertain to or form part of the Collateral including, the Specifically Pledged Collateral, and shall, where appropriate, duly endorse the same for transfer in blank or as the Lender may direct and shall make all reasonable efforts to deliver to the Lender any and all consents or other instruments or documents necessary to comply with any restrictions on the transfer thereof in order to transfer the same to the Lender. Upon the request of the Lender, the Pledgor shall denote the Lender's Security Interest on any Certificated Securities, certificated LLC/Partnership Interests, Instruments, and Documents of Title forming part of the Collateral in the possession or control of the Pledgor.
- (b) If the Pledgor acquires any additional Equity Securities in an Issuer or any Instruments or Documents of Title forming part of the Collateral, the Pledgor will notify the Lender in writing and provide the Lender with a revised Schedule A, recording the acquisition and particulars of such Equity Securities in the Issuer within 10 Business Days after such acquisition. Upon request by the Lender, the Pledgor will promptly deliver to and deposit with the Lender any such Equity Securities, which are either Certificated Securities or certificated LLC/Partnership Interests, Instruments and Documents of Title, or in the case of Equity Securities which are not in any way certificated, enter into a control agreement with the

Issuer and the Lender (in a form and substance satisfactory to the Lender), or otherwise grant such control over Securities form part of such Collateral as the Lender requires or considers necessary or desirable to perfect or better perfect its Security Interest in such Collateral or to give the Security Interest improved priority over the Collateral (including, without limitation, in the case of Uncertificated Securities, either delivering to the Lender on the terms satisfactory to the Lender, an irrevocable agreement that the Issuer will comply with instructions originated by the Lender without the further consent of the Pledgor, or causing the Issuer to register the Lender or its agent or nominee, as directed by the Lender as the registered owner of such Uncertificated Securities).

5.5 Notices and other Communications in Respect of Collateral

The Pledgor shall deliver promptly to the Lender copies of all notices or other communications received by the Pledgor in respect of the Collateral. Effective after the occurrence of an Event of Default or demand pursuant to the Promissory Note, the Pledgor waives all rights to receive any notices or communications received by the Lender or its nominee in respect of the Collateral.

5.6 Voting and Other Rights

- (a) Until such time as demand pursuant to the Promissory Note or an Event of Default has occurred:
 - (i) the Pledgor shall be entitled to exercise all of the rights and powers of a holder of any Equity Securities forming part of the Collateral, including, without limitation, the right to vote from time to time exercisable in respect of such Equity Securities and to give consents, waivers and ratification in respect thereof. Notwithstanding the foregoing, no such right or power shall be exercised and no vote shall be cast or proxy, consent, waiver or ratification given or action taken which would violate or be inconsistent with this Agreement or any provision contained in the Promissory Note or which would by reason of any amendment to the an Issuer Governing Agreement or other organizational documents of the Issuer have the effect of reducing the value of the Collateral as security for the Obligations or imposing any restriction on the transferability of any of the Collateral;
 - (ii) the Pledgor shall be entitled to any and all cash, dividends or interest payments or other distributions on any Equity Securities forming part of the Collateral which it is otherwise entitled to receive. The Lender shall not, in any event, be bound to collect any interest, dividends, income or other distributions payable in respect of any of the Equity Securities forming part of the Collateral. Notwithstanding any of the foregoing, the Pledgor shall not be entitled to any cash, dividends, interest payments or other distributions on or in respect of any of the Collateral where the receipt by the Pledgor thereof would violate or be inconsistent with any Loan Document or the Promissory Note.

- (b) Upon the occurrence of demand pursuant to the Promissory Note or an Event of Default which is continuing:
 - (i) the Pledgor shall have no rights to vote or take any other action with respect to the Collateral;
 - (ii) the Lender may, but shall not be obliged to, vote and take all other action with respect to the Collateral;
 - (iii) the Pledgor hereby authorizes and instructs the Issuer to:
 - A. comply with any instruction received by it from the Lender in writing that states that demand pursuant to the Promissory Note or an Event of Default has occurred and is continuing and is otherwise in accordance with the terms of this Agreement, without any other or further instructions from the Pledgor, and the Pledgor agrees that the Issuer shall be fully protected in so complying; and
 - B. unless otherwise expressly permitted hereby, pay any dividends or other payments with respect to the Collateral directly to the Lender.

5.7 Delivery of Collateral to the Lender

All Collateral received at any time by or on behalf of the Pledgor after the occurrence of demand pursuant to the Promissory Note or an Event of Default shall be received and held by or on behalf of the Pledgor in trust for the Lender and shall be delivered to the Lender immediately upon such receipt, duly endorsed or executed for transfer where applicable. Any Collateral received by the Pledgor before the occurrence of demand pursuant to the Promissory Note or an Event of Default, but in circumstances in which the Pledgor's ability to deal with such Collateral is expressed to be in any way limited, restricted or otherwise directed in some manner under the Promissory Note or any Loan Document such Collateral shall be received by the Pledgor in trust for the Lender and held and dealt with by the Pledgor in the manner contemplated in the Promissory Note or as may otherwise be directed by the Lender.

ARTICLE 6. EVENTS OF DEFAULT

6.1 Events of Default

Notwithstanding any other provision of this Agreement, the security hereby constituted shall only become enforceable upon the occurrence of demand pursuant to the Promissory Note or an Event of Default which is continuing and has not been either cured or waived in accordance with the provisions of the Promissory Note and the Lender declaring any and all Obligations to be due and payable.

ARTICLE 7.
REMEDIES

7.1 Realization

- (a) Upon the occurrence of demand pursuant to the Promissory Note or an Event of Default, the Lender may, either directly or through its nominees or agents, realize upon the Collateral or any portion thereof, as, when and if the Lender shall in its sole discretion think proper, without obligation to resort to other security or to take recourse against any other person and without notice, advertisement, demand for payment or any other formality. Any such realization by the Lender may be by:
 - (i) sale, transfer or delivery on any recognized exchange dealing in the applicable Collateral, by public auction, private tender or private sale, either for cash or credit and upon such terms as the Lender may determine; or
 - (ii) the Lender taking and accepting the Collateral not previously sold or transferred in satisfaction of the Obligations and as absolute legal and beneficial owner thereof by complying with applicable laws governing the exercise of this right.
- (b) The Lender shall further have the following rights, power and remedies both before and after the occurrence of demand pursuant to the Promissory Note or an Event of Default:
 - (i) to make payments to persons having prior rights or Liens on the Collateral;
 - (ii) to give notice of the Security Interest to any person obligated to pay any debt or liability constituting Collateral and to direct such person to make all payments on account of any such debt or liability to the Lender or its nominee;
 - (iii) to demand, commence, continue or defend proceedings in the name of the Lender or in the name of the Pledgor for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of, or otherwise enforcing rights, powers or remedies with respect to, the Collateral and to give effectual receipts and discharges therefor; and
 - (iv) all of the rights and remedies accorded a secured party under the PPSA and the STA;
- (c) The Lender shall not be bound to exercise such rights or remedies as aforesaid or to otherwise deal with all or any part of the Collateral or to otherwise realize any Proceeds from the Collateral and shall not be responsible for any loss occasioned by any sale or other dealing with or any failure to sell or otherwise deal with all or

any part of the Collateral. The Pledgor hereby expressly waives notice and any other formality prescribed by law in relation to any sale, transfer or delivery of the Collateral.

7.2 Public Sale, Premium for Control, Etc.

The Pledgor recognizes that the Lender may be unable to effect a public sale of the Collateral, or to sell the Collateral as a control block at more than a stated premium to the “market price” of the Collateral by reason of certain prohibitions contained under applicable securities laws, but may be compelled to resort to one or more private sales of the Collateral to a restricted group of purchasers who will be obliged to agree, among other things, to acquire such Collateral as principal and to comply with certain resale restrictions provided for under applicable securities laws. The Pledgor acknowledges and agrees that any such private sale may result in prices and other terms less favourable to the seller than if such sale were a public sale or a control block sale; notwithstanding such circumstances, the Pledgor agrees that any such private sale shall not be deemed to have been made in a commercially unreasonable manner solely by reason of it being a private sale. The Lender shall be under no obligation to delay a sale of the Collateral for a period of time necessary to permit the Issuer or any other person to qualify such Collateral for public sale under applicable securities laws even if the Issuer would agree to do so or to permit a prospective purchaser to make a formal offer to all or substantially all persons who own property of the same kind as the Collateral. Upon the occurrence of demand pursuant to the Promissory Note or an Event of Default, the Pledgor hereby consents, and agrees to cause the Issuer to consent, to the disclosure by the Lender to the public generally and/or to any prospective purchaser of the Collateral of any information relating to the Collateral, whether confidential or not.

7.3 Third Party Dealings

No person dealing with the Lender, or any of its agents acting in respect of this Agreement need enquire:

- (a) as to whether demand pursuant to the Promissory Note or an Event of Default has occurred or is continuing;
- (b) as to whether the powers which the Lender is purporting to exercise have become or remain exercisable;
- (c) as to whether any monies remain due to the Lender upon the security of this Agreement or otherwise;
- (d) as to the necessity or expediency of the stipulations and conditions upon which any sale of the Collateral is made or otherwise as to the propriety or regularity of any sale of the Collateral or of any other dealing by the Lender with the Collateral; or
- (e) into the application of any monies paid to the Lender,

and such dealing is to be considered to be within the powers conferred on the Lender under this Agreement and to be valid, effective and irrevocable.

7.4 Application of Proceeds

Any Proceeds realized from the Collateral by the Lender through the enforcement of the rights of the Lender under this Agreement shall be applied as follows:

- (a) first, in payment of all fees, costs, charges and expenses of the Lender incurred in connection with the enforcement of the security hereof, including, without limitation, all legal fees and disbursements on a “solicitor and client” basis;
- (b) second, in payment to the Lender of the amounts required to satisfy the Obligations; and
- (c) third, the balance, if any, to the Pledgor or to whomever else may by law, be entitled to such balance.

7.5 Monies Actually Received

The Pledgor shall be entitled to be credited with the Proceeds arising from the possession, sale or other disposition of, or realization of security on, the Collateral only when such Proceeds are actually received by the Lender and such actual Proceeds shall, for the purposes of this Agreement, mean only those amounts actually received in cash by the Lender upon such possession, sale or other disposition of, or realization of security on, the Collateral.

7.6 Pledgor Liable for Deficiency

The Pledgor shall remain liable to the Lender for any deficiency after the Proceeds of any sale or other disposition of the Collateral are received by the Lender.

7.7 Remedies Not Exclusive

All rights, powers and remedies of the Lender under this Agreement may be exercised separately or in combination and shall be in addition to and not in substitution for any other security now or hereafter held by the Lender and any other rights, powers and remedies of the Lender however created or arising. No single or partial exercise by the Lender of any of the rights, powers and remedies under this Agreement or under any other security now or hereafter held by the Lender shall preclude any other and further exercise of any other right, power or remedy pursuant to this Agreement or any other security or at law, in equity or otherwise. The Lender shall at all times have the right to proceed against the Collateral or any other security in such order and in such manner as it shall determine without waiving any rights, powers or remedies which the Lender may have with respect to this Agreement or any other security or at law, in equity or otherwise. No delay or omission by the Lender in exercising any right, power or remedy hereunder or otherwise shall operate as a waiver thereof or of any other right, power or remedy.

7.8 Exclusion of Liability of Lender

Except in the case of gross negligence, wilful default or breach of contract on the part of the Lender or its officers or agents, the Lender shall not be liable for exercise or any failure to exercise its rights, power or remedies arising hereunder or otherwise, including, without limitation, taking possession of, collecting, enforcing, realizing, selling or otherwise disposing of, preserving or protecting the Collateral, or taking any steps or proceedings for any such purposes or any failure to do any of the foregoing. The Lender shall not have any obligation to examine any notices or other communications with respect to the Collateral or to advise the Pledgor of the expiry of any warrants, options or their rights in respect of or comprising the Collateral or to advise the Pledgor of any other matter relating to any issuers of any Collateral, and the Lender shall not have any obligation to take any steps or proceedings to preserve rights against prior parties to or in respect of the Collateral, whether or not in the Lender's possession. Subject to the foregoing, the Lender shall use reasonable care in the custody and preservation of the Collateral in its possession.

7.9 Exercise of Rights, Powers and Remedies by Nominee

The Lender may exercise any and all of its rights, powers and remedies hereunder directly or through its agents or nominees. The Lender may incur reasonable expenses in the exercise of its rights, powers and remedies set out in this Agreement.

7.10 Power of Attorney

Upon the occurrence of demand pursuant to the Promissory Note or any Event of Default that is continuing and has not been waived in writing by the Lender, the Pledgor hereby irrevocably authorizes and appoints the Lender as its true and lawful attorney, with full power of substitution for and in the name of the Pledgor, to sign and seal all documents and to fill in all blanks and to execute, deliver and do all such acts, deeds, documents, transfers, demands, conveyances, assignments, contracts, assurances, consents, and any additional powers of attorney necessary to give effect to this Agreement and generally to use the name of the Pledgor in connection therewith or herewith. This appointment shall be coupled with an interest and shall not be revoked by the insolvency, bankruptcy, death or subsequent mental infirmity of the Pledgor.

ARTICLE 8. **GENERAL**

8.1 Successors and Assigns

This Agreement will enure to the benefit of and be enforceable by the Lender and its successors and assigns and shall be binding upon the Pledgor and its successors and permitted assigns.

8.2 Entire Agreement

This Agreement has been entered into pursuant to the provisions of the Promissory Note and is subject to all the terms and conditions thereof and, if there is any conflict between the terms, conditions and provisions of this Agreement and the Promissory Note, the terms, conditions and provisions of the Promissory Note will prevail. In the event of any conflict between the terms,

conditions and provisions of this Agreement and any other Loan Document, those terms, conditions and provisions giving the greatest rights or benefit to the Lender shall prevail. Other than the Loan Documents, this Agreement cancels and supersedes any prior understandings and agreements between the Lender and the Pledgor with respect to the subject matter contained herein. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the Lender and the Pledgor with respect to the subject matter hereof except as expressly set forth herein or in the Promissory Note and the other Loan Documents.

8.3 Amendments and Waivers

No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by all of the parties hereto. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided in the written waiver, will be limited to the specific breach waived.

8.4 Severability

If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability will attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof will continue in full force and effect.

8.5 Notices

Any demand, notice or other communication to be given in connection with this Agreement must be given in writing in accordance with the notice provisions in the Promissory Note.

8.6 Additional Continuing Security

This Agreement and the Security Interest hereby are in addition to and not in substitution for any other security now or hereafter held by the Lender and this Agreement is a continuing agreement and security that will remain in full force and effect until discharged by the Lender.

8.7 Further Assurances

The Pledgor must at its expense from time to time do, execute and deliver, or cause to be done, executed and delivered, all such financing statements, further assignments, documents, acts, matters and things as may be requested by the Lender for the purpose of giving effect to this Agreement or for the purpose of establishing compliance with the covenants herein contained.

8.8 Termination

- (a) This Agreement may be terminated by:
 - (i) written agreement made between the Pledgor and the Lender; or

- (ii) notice in writing given by the Pledgor to the Lender at any time when all of the Obligations have been fully satisfied and performed by the Pledgor and the Promissory Note has been terminated in accordance with its terms.
- (b) Upon termination of this Agreement in accordance with the provisions of Section 8.8(a), the Lender shall, at the request and expense of the Pledgor, make and do all such acts and things and execute and deliver all such financing statements, instruments, agreements and documents as the Pledgor considers necessary or desirable to discharge the Security Interest, to release and discharge the Collateral therefrom and to record such release and discharge in all appropriate offices of public record.

8.9 Discharge

The Pledgor will not be discharged from any of the Obligations or from this Agreement except by a release or discharge signed in writing by the Lender.

8.10 Joint and Several Liability

Where, in this Agreement, any covenant, agreement, warranty, representation or obligation is made or imposed upon two or more persons or a party comprised of more than one person, each such covenant, agreement, warranty, representation or obligation shall be deemed to be and be read and construed as a joint and several covenant, agreement, warranty, representation or obligation of each such person or party, as the case may be.

8.11 Governing Law

This Agreement will be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein, without prejudice to or limitation of any other rights or remedies available to the Lender (but not the Pledgor) under the laws of any jurisdiction where property or assets of the Pledgor may be found.

8.12 Extensions Etc.

The Lender may grant extensions of time and other indulgences, take and give up securities, accept compromises, make settlements, grant releases and otherwise deal with the Pledgor, the Issuer, any other person, or the Collateral, all as the Lender may see fit and without prejudice to the liability of the Pledgor to the Lender hereunder and under the Obligations or the rights, powers and remedies of the Lender under this Agreement.

8.13 Degree of Care

The Pledgor agrees that the Lender is not a bailee for reward, an agent or fiduciary of the Pledgor and that the Lender's responsibility in respect of the Collateral is to use reasonable care in the custody and preservation thereof. The Pledgor agrees that, for the purposes of the PPSA, the Lender shall not be required to take any steps to preserve rights in the Collateral against any other person, whether or not the Collateral is in the possession of the Lender.

8.14 Executed Copy

The Pledgor hereby acknowledges receiving a copy of this Agreement, and waives all rights to receive from the Lender a copy of any financing statement, financing change statement or verification statement filed at any time or from time to time in respect of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF the Pledgor has executed this Agreement as of the day and year first above written.

AUDIBLE CAPITAL CORP.

Per:

A handwritten signature in blue ink, appearing to be "B. K. ...", is written over a horizontal line.

Authorized Signatory

SCHEDULE A
EQUITY SECURITIES

NAME OF ISSUER	JURISDICTION	TYPE OF INTEREST	NUMBER OR PERCENTAGE OF INTEREST	CERTIFICATE NO. (Insert "N/A" if Uncertificated)
Avenir Trading Corp.	Alberta	Common Shares	10	3C
1892244 Alberta Ltd.	Alberta	Common Shares	2,776,734	03
Avenir Sports International Corporation	Alberta	Common Share	1	02
1957932 Alberta Ltd.	Alberta	Common Shares	100	01
Avenir Sports Entertainment Ltd.	Alberta	Class "A" Shares	100	A-3
Synaptive Medical Inc.	Ontario	Common Shares	460,000	255
Synaptive Medical Inc.	Ontario	Common Shares	280,000	293
Biosteel Sports Nutrition Inc.	Canada	Class A shares	1,793,801	A-36

**THIS IS EXHIBIT "M" TO
THE AFFIDAVIT OF LEKAN TEMIDIRE
SWORN BEFORE ME THIS 28TH
DAY OF APRIL, 2020**



A Commissioner etc.

PLEDGE AND SECURITY AGREEMENT

THIS PLEDGE AND SECURITY AGREEMENT dated as of December 14, 2018 (this “**Agreement**”), is made by **AVENIR SPORTS ENTERTAINMENT LTD.** (the “**Pledgor**”), to and in favour of **BRIDGING FINANCE INC.**, as agent (the “**Lender**”).

WHEREAS:

- A. The Lender entered into a grid promissory note dated December 14, 2018, as lender, with the Pledgor, Audible Capital Corp, Avenir Trading Corp., 1892244 Alberta Ltd., Avenir Sports International Corporation, 1957932 Alberta Ltd., Avenir Sports Entertainment Ltd. and Portland Winter Hawks, Inc. (collectively, the “**Borrowers**”), as borrowers, as the same may be amended, varied, supplemented, restated, renewed or replaced at any time and from time to time (the “**Promissory Note**”);
- B. The Pledgor is at the date hereof the legal and beneficial owner of the Equity Securities described in Schedule A hereto (the “**Specifically Pledged Collateral**”);
- C. Pursuant to the terms of the Promissory Note and certain other documents required to be delivered pursuant thereto, the Borrowers owe, and in the future may owe, Obligations to the Lender from time to time under the Promissory Note; and
- D. The Pledgor has agreed to execute and deliver this Agreement to and in favour of the Lender as continuing security for the due, prompt and complete payment, performance and satisfaction of all of the Obligations.

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the premises and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto), the Pledgor hereby covenants and agrees in favour of the Lender as follows:

ARTICLE 1. **INTERPRETATION**

1.1 Interpretation

Unless otherwise defined herein or the context otherwise requires, capitalized terms used herein which are not otherwise defined herein shall have the meanings provided in the Promissory Note. Additionally, in this Agreement, unless something in the subject matter or context is inconsistent therewith,

- (a) “**Adverse Claim**” has the meaning given to it in the STA;
- (b) “**Agreement**” has the meaning given to it in the recitals;
- (c) “**Certificated Security**” has the meaning given to it in the STA;

- (d) **“Collateral”** means that term as defined in Section 2.1 hereof and, unless the context shall otherwise require, any reference to the Collateral herein shall be deemed to include a reference to any part of the Collateral;
- (e) **“Control”** has the meaning given to it in the STA;
- (f) **“Equity Securities”** means with respect to any person, any and all shares, units, interest, participations, rights in, or other equivalents (however designated and whether voting and non-voting) of, such persons, whether outstanding on the date hereof or issued after the date hereof, including any LLC/Partnership Interest and any beneficial interest in a trust, and any and all rights, warrants, options or other rights exchangeable for or convertible into any of the foregoing;
- (g) **“Financial Asset”** has the meaning given to it in the STA;
- (h) **“Issuer Governing Agreement”** means any agreement governing an Issuer of the affairs of an Issuer, including without limitation, any shareholders’ agreement or a partnership agreement;
- (i) **“Issuers”** means all of the companies, corporations, unlimited liability corporations, partnerships and limited partnerships identified as Issuers in Schedule A hereto, and **“Issuer”** means any one of them;
- (j) **“Lender”** has the meaning given to it in the recitals;
- (k) **“LLC/Partnership Interests”** means any interest in a partnership, limited partnership or limited liability company which is not a Security;
- (l) **“Obligations”** means all obligations of the Pledgor to the Lender, including but not limited to all debts and liabilities, whether present or future, direct or indirect, absolute or contingent, matured or not, joint or several and joint and several, at any time due or accruing due or owing by the Pledgor to the Lender, under the Promissory Note and any other Loan Document to which the Pledgor is a party;
- (m) **“Pledgor”** has the meaning given to it in the recitals;
- (n) **“PPSA”** means the *Personal Property Security Act*, (Alberta), as such legislation may be amended, renamed or replaced from time to time (and includes all regulations from time to time under such legislation);
- (o) **“Proceeds”** means any and all Goods, Investment Property, Instruments, Documents of Title, Chattel Paper, Intangibles and Money derived or arising from any dealing with the Collateral or any proceeds thereof, and includes any payment representing indemnity or compensation for loss of or damage to any such property;
- (p) **“Promissory Note”** has the meaning given to it in the recitals;

- (q) “**Security**” has the meaning given to it in the STA;
- (r) “**Security Interest**” means that term as defined in Section 2.1 hereof;
- (s) “**Specifically Pledged Collateral**” has the meaning given to it in the recitals;
- (t) “**STA**” means the *Securities Transfer Act* (Alberta), as such legislation may be amended, renamed or replaced from time to time (and includes all regulations from time to time under such legislation); and
- (u) “**Uncertificated Security**” has the meaning given to it in the STA.

Unless the context otherwise requires, the terms “**Accession**”, “**Account**”, “**Chattel Paper**”, “**Consumer Goods**”, “**Crops**”, “**Documents of Title**”, “**Goods**”, “**Inventory**”, “**Investment Property**”, “**Instruments**”, “**Intangibles**” and “**Money**” shall have the meanings given to such terms in the PPSA.

1.2 Sections and Headings

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Agreement. The terms “this Agreement”, “hereof”, “hereunder” and similar expressions refer to this Agreement in its entirety and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Agreement.

1.3 Extended Meanings

In this Agreement words importing the singular number only include the plural and *vice versa*, words importing any gender include all genders and words importing persons include individuals, partnerships, associations, trusts, unincorporated organizations and corporations.

ARTICLE 2.

SECURITY INTEREST

2.1 Creation of Security Interest

As general and continuing security for the payment and performance of the Obligations, the Pledgor hereby grants, mortgages, assigns, transfers, charges, pledges and hypothecates in favour of the Lender and grants to the Lender as and by way of a fixed and specific mortgage and charge, and grants to the Lender a security interest (collectively, the “**Security Interest**”) in all of the Pledgor’s present and future right, title and interest in and to the following (collectively, the “**Collateral**”):

- (a) the Specifically Pledged Collateral;

- (b) Equity Securities in the Issuers, in or to which the Pledgor now or hereafter has any right, title, estate, interest or benefit;
- (c) with respect to the property described above, all certificates and other records in any form, evidencing or relating thereto and all agreements, and other rights, privileges and benefits to which the Pledgor may now be or hereafter become entitled as a holder of the property or otherwise in connection therewith, including, without limitation:
 - (i) all voting rights;
 - (ii) any and all Equity Securities received in connection with any dividend or other distribution;
 - (iii) any and all Equity Securities issued in exchange for such property, or any part thereof, as provided in any recapitalization, reorganization or similar transaction;
 - (iv) any and all returns of capital payable in respect of any of the foregoing upon a purchase, cancellation, termination, liquidation, dissolution, winding-up or similar event; and
 - (v) any and all dividends, income or other distributions payable in connection with any of the property described in this Section 2.1, whether such dividends, income or other distributions are paid or distributed in cash or other property,
- (d) any and all Goods, Investment Property, Instruments, Documents of Title, Chattel Paper, Intangibles and Money which may:
 - (i) hereafter be acquired by or issued to the Pledgor in renewal of, substitution for, as owner of or otherwise in connection with any of the property described above; or
 - (ii) accrue on, be derived from or offered in respect of any of the property described above,
- (e) any and all Proceeds of any of the property described above.

2.2 Attachment

Except as may otherwise be agreed in writing by the Lender, the Security Interest shall attach, in the case of after-acquired property, immediately upon the Pledgor obtaining rights in such property and, in all other cases, upon the execution hereof.

ARTICLE 3.
OBLIGATIONS SECURED

3.1 Obligations Secured

The Security Interest shall constitute general and continuing security for the payment and performance of the Obligations.

ARTICLE 4.
REPRESENTATIONS AND WARRANTIES

4.1 Representations And Warranties of the Pledgor

The Pledgor hereby represents and warrants to the Lender and, so long as this Agreement remains in effect, shall be deemed to continuously represent and warrant to the Lender that:

- (a) the Pledgor is the legal and beneficial owner of and has good and valid title to the Specifically Pledged Collateral, free and clear of all encumbrances and any other claims whatsoever;
- (b) with the exception of the Lender, no person has an agreement or option or any right or privilege capable of becoming an agreement or option to acquire any right or interest in the Collateral;
- (c) as of the date hereof, the Pledgor has good right, full power and absolute authority to create the Security Interest in the Collateral in the manner contemplated herein;
- (d) there has been no breach or default under any Issuer Governing Agreement of which the Pledgor is aware, nor is there presently any dispute under or relating to any Issuer Governing Agreement of which the Pledgor is aware;
- (e) the Pledgor has complied with and duly observed and performed all of the covenants, obligations and conditions of the Pledgor as set forth in any Issuer Governing Agreement which are to have been observed and performed at the date hereof and there exists no state of facts of which the Pledgor is aware which would entitle any other shareholder to dispute any payment to the Pledgor or refuse to perform any obligation under any such Issuer Governing Agreement;
- (f) the address of the Pledgor's chief executive office or principal place of residence, as may be applicable, is as follows:

- (g) the jurisdiction of each of the Issuers is set out in Schedule A hereto;

- (h) the full, true and correct name of the Pledgor, including any French or combined English and French form of such name, is as set out on the execution page hereof;
- (i) none of the Collateral is subject to:
 - (i) any escrow, pooling or similar agreement or arrangement or any other restriction on transferability; or
 - (ii) any restriction on the voting rights associated therewith;
- (j) the Specifically Pledged Collateral has been validly issued and is fully paid and non-assessable and the Pledgor has all necessary right, power and/or requisite corporate capacity and authority to pledge and deliver the Collateral; and
- (k) all required filings, proceedings, approvals, permits, consents, orders and authorizations have been made, taken or obtained:
 - (i) in connection with the entering into of this Agreement, the creation of the Security Interest and the fulfilment of the obligations of the Pledgor hereunder; and
 - (ii) to permit the transfer to the Lender, or its nominee, of the Specifically Pledged Collateral and any other Equity Securities, Instruments and Documents of Title forming part of the Collateral from time to time, including pursuant to any Issuer Governing Agreement;
- (l) all necessary corporate and partnership action has been taken by the Issuer to authorize the execution and delivery by the Pledgor of this Agreement, the pledge and delivery of the Collateral as contemplated herein, the transfer of any Equity Securities forming a part thereof into the name of the Lender and the transfer of any Equity Securities forming part of the Collateral by the Lender to any third party in the course of realizing upon the security constituted by this Agreement; and
- (m) the Pledgor has disclosed to the Lender all facts known to the Pledgor relating to the Collateral which could reasonably be expected to be material to a potential purchaser of, or a person acquiring a security interest in, the Collateral.

The representations and warranties contained in this Agreement shall be deemed to be repeated each time any additional Collateral becomes subject to the Security Interest.

ARTICLE 5.
COVENANTS OF THE PLEDGOR

5.1 General Covenants

The Pledgor agrees that it shall, unless otherwise expressly specified in the Promissory Note:

- (a) at all times observe and perform each and every one of its obligations under any and all Issuer Governing Agreements;
- (b) pay and satisfy all Obligations as and when the same become due;
- (c) promptly notify the Lender of any lien or other claim made or asserted against any of the Collateral including any Adverse Claims;
- (d) defend its title to the Collateral and the Security Interest in the Collateral against any and all claims and demands whatsoever including any Adverse Claim;
- (e) from time to time, at its expense, execute, endorse, acknowledge and deliver up to the Lender, all such proxies, stock powers, instruments and other documents and take all such actions (including, without limitation, obtaining all governmental, corporate and other consents or authorizations) and do or cause to be done all such other things as the Lender may, from time to time, deem necessary or advisable or request in order to give full effect to this Agreement and to secure the rights intended to be granted to the Lender hereunder; and
- (f) at the request of the Lender, enforce any and all remedies available to the Pledgor under any Issuer Governing Agreement to the full extent provided therein.

5.2 Negative Covenants

The Pledgor agrees that it shall not, unless otherwise expressly permitted under the Promissory Note:

- (a) vote to enable, or take any other action to permit, the Issuer to issue any Equity Securities of any nature or to issue any other securities convertible into or granting the right to purchase or exchange for any Equity Securities of any nature of any Issuer;
- (b) sell, transfer, assign, grant any option or any beneficial interest in respect of or otherwise alienate or dispose of any of the Pledgor's right, title or interest in or to the Collateral;
- (c) create, assume or permit to exist any lien upon the Collateral;
- (d) enter into any agreement or undertaking restricting the right or ability of the Pledgor or the Lender to sell, assign or transfer any of the Collateral;

- (e) change its name without giving 15 Business Days prior written notice to the Lender of the new name and the date upon which such change of name is to take effect;
- (f) locate any Certificated Securities forming part of the Collateral outside the Province of Alberta or Province of Ontario;
- (g) deliver or grant Control over any Investment Property forming part of the Collateral to any person other than the Lender; or
- (h) other than as requested by the Lender, amend or permit any amendment to any Issuer Governing Agreement.

5.3 Registration of Collateral in the Name of the Lender or Nominee

The Pledgor shall, at the request of the Lender upon the occurrence of a demand pursuant to the Promissory Note or an Event of Default which is continuing, cause such of the Collateral as is registrable to be registered in the name of the Lender or its nominee and authorizes the Lender to transfer such Collateral into the name of the Lender or its nominee, so that the Lender or its nominee may appear as the sole owner of record of such Collateral. The Pledgor shall further, at the request of the Lender, deliver to the Lender appropriate powers of attorney for transfer in blank in respect of such of the Collateral.

5.4 Control of Instruments, Securities, etc.

- (a) The Pledgor shall promptly deliver to the Lender, to be held by the Lender hereunder, all Certificated Securities, certificated LLC/Partnership Interests, Instruments and Documents of Title in its possession or control which pertain to or form part of the Collateral including, the Specifically Pledged Collateral, and shall, where appropriate, duly endorse the same for transfer in blank or as the Lender may direct and shall make all reasonable efforts to deliver to the Lender any and all consents or other instruments or documents necessary to comply with any restrictions on the transfer thereof in order to transfer the same to the Lender. Upon the request of the Lender, the Pledgor shall denote the Lender's Security Interest on any Certificated Securities, certificated LLC/Partnership Interests, Instruments, and Documents of Title forming part of the Collateral in the possession or control of the Pledgor.
- (b) If the Pledgor acquires any additional Equity Securities in an Issuer or any Instruments or Documents of Title forming part of the Collateral, the Pledgor will notify the Lender in writing and provide the Lender with a revised Schedule A, recording the acquisition and particulars of such Equity Securities in the Issuer within 10 Business Days after such acquisition. Upon request by the Lender, the Pledgor will promptly deliver to and deposit with the Lender any such Equity Securities, which are either Certificated Securities or certificated LLC/Partnership Interests, Instruments and Documents of Title, or in the case of Equity Securities which are not in any way certificated, enter into a control agreement with the Issuer and the Lender (in a form and substance satisfactory to the Lender), or

otherwise grant such control over Securities form part of such Collateral as the Lender requires or considers necessary or desirable to perfect or better perfect its Security Interest in such Collateral or to give the Security Interest improved priority over the Collateral (including, without limitation, in the case of Uncertificated Securities, either delivering to the Lender on the terms satisfactory to the Lender, an irrevocable agreement that the Issuer will comply with instructions originated by the Lender without the further consent of the Pledgor, or causing the Issuer to register the Lender or its agent or nominee, as directed by the Lender as the registered owner of such Uncertificated Securities).

5.5 Notices and other Communications in Respect of Collateral

The Pledgor shall deliver promptly to the Lender copies of all notices or other communications received by the Pledgor in respect of the Collateral. Effective after the occurrence of an Event of Default or demand pursuant to the Promissory Note, the Pledgor waives all rights to receive any notices or communications received by the Lender or its nominee in respect of the Collateral.

5.6 Voting and Other Rights

- (a) Until such time as demand pursuant to the Promissory Note or an Event of Default has occurred:
 - (i) the Pledgor shall be entitled to exercise all of the rights and powers of a holder of any Equity Securities forming part of the Collateral, including, without limitation, the right to vote from time to time exercisable in respect of such Equity Securities and to give consents, waivers and ratification in respect thereof. Notwithstanding the foregoing, no such right or power shall be exercised and no vote shall be cast or proxy, consent, waiver or ratification given or action taken which would violate or be inconsistent with this Agreement or any provision contained in the Promissory Note or which would by reason of any amendment to the an Issuer Governing Agreement or other organizational documents of the Issuer have the effect of reducing the value of the Collateral as security for the Obligations or imposing any restriction on the transferability of any of the Collateral;
 - (ii) the Pledgor shall be entitled to any and all cash, dividends or interest payments or other distributions on any Equity Securities forming part of the Collateral which it is otherwise entitled to receive. The Lender shall not, in any event, be bound to collect any interest, dividends, income or other distributions payable in respect of any of the Equity Securities forming part of the Collateral. Notwithstanding any of the foregoing, the Pledgor shall not be entitled to any cash, dividends, interest payments or other distributions on or in respect of any of the Collateral where the receipt by the Pledgor thereof would violate or be inconsistent with any Loan Document or the Promissory Note.

- (b) Upon the occurrence of demand pursuant to the Promissory Note or an Event of Default which is continuing:
 - (i) the Pledgor shall have no rights to vote or take any other action with respect to the Collateral;
 - (ii) the Lender may, but shall not be obliged to, vote and take all other action with respect to the Collateral;
 - (iii) the Pledgor hereby authorizes and instructs the Issuer to:
 - A. comply with any instruction received by it from the Lender in writing that states that demand pursuant to the Promissory Note or an Event of Default has occurred and is continuing and is otherwise in accordance with the terms of this Agreement, without any other or further instructions from the Pledgor, and the Pledgor agrees that the Issuer shall be fully protected in so complying; and
 - B. unless otherwise expressly permitted hereby, pay any dividends or other payments with respect to the Collateral directly to the Lender.

5.7 Delivery of Collateral to the Lender

All Collateral received at any time by or on behalf of the Pledgor after the occurrence of demand pursuant to the Promissory Note or an Event of Default shall be received and held by or on behalf of the Pledgor in trust for the Lender and shall be delivered to the Lender immediately upon such receipt, duly endorsed or executed for transfer where applicable. Any Collateral received by the Pledgor before the occurrence of demand pursuant to the Promissory Note or an Event of Default, but in circumstances in which the Pledgor's ability to deal with such Collateral is expressed to be in any way limited, restricted or otherwise directed in some manner under the Promissory Note or any Loan Document such Collateral shall be received by the Pledgor in trust for the Lender and held and dealt with by the Pledgor in the manner contemplated in the Promissory Note or as may otherwise be directed by the Lender.

ARTICLE 6. EVENTS OF DEFAULT

6.1 Events of Default

Notwithstanding any other provision of this Agreement, the security hereby constituted shall only become enforceable upon the occurrence of demand pursuant to the Promissory Note or an Event of Default which is continuing and has not been either cured or waived in accordance with the provisions of the Promissory Note and the Lender declaring any and all Obligations to be due and payable.

ARTICLE 7.
REMEDIES

7.1 Realization

- (a) Upon the occurrence of demand pursuant to the Promissory Note or an Event of Default, the Lender may, either directly or through its nominees or agents, realize upon the Collateral or any portion thereof, as, when and if the Lender shall in its sole discretion think proper, without obligation to resort to other security or to take recourse against any other person and without notice, advertisement, demand for payment or any other formality. Any such realization by the Lender may be by:
 - (i) sale, transfer or delivery on any recognized exchange dealing in the applicable Collateral, by public auction, private tender or private sale, either for cash or credit and upon such terms as the Lender may determine; or
 - (ii) the Lender taking and accepting the Collateral not previously sold or transferred in satisfaction of the Obligations and as absolute legal and beneficial owner thereof by complying with applicable laws governing the exercise of this right.
- (b) The Lender shall further have the following rights, power and remedies both before and after the occurrence of demand pursuant to the Promissory Note or an Event of Default:
 - (i) to make payments to persons having prior rights or Liens on the Collateral;
 - (ii) to give notice of the Security Interest to any person obligated to pay any debt or liability constituting Collateral and to direct such person to make all payments on account of any such debt or liability to the Lender or its nominee;
 - (iii) to demand, commence, continue or defend proceedings in the name of the Lender or in the name of the Pledgor for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of, or otherwise enforcing rights, powers or remedies with respect to, the Collateral and to give effectual receipts and discharges therefor; and
 - (iv) all of the rights and remedies accorded a secured party under the PPSA and the STA;
- (c) The Lender shall not be bound to exercise such rights or remedies as aforesaid or to otherwise deal with all or any part of the Collateral or to otherwise realize any Proceeds from the Collateral and shall not be responsible for any loss occasioned by any sale or other dealing with or any failure to sell or otherwise deal with all or

any part of the Collateral. The Pledgor hereby expressly waives notice and any other formality prescribed by law in relation to any sale, transfer or delivery of the Collateral.

7.2 Public Sale, Premium for Control, Etc.

The Pledgor recognizes that the Lender may be unable to effect a public sale of the Collateral, or to sell the Collateral as a control block at more than a stated premium to the “market price” of the Collateral by reason of certain prohibitions contained under applicable securities laws, but may be compelled to resort to one or more private sales of the Collateral to a restricted group of purchasers who will be obliged to agree, among other things, to acquire such Collateral as principal and to comply with certain resale restrictions provided for under applicable securities laws. The Pledgor acknowledges and agrees that any such private sale may result in prices and other terms less favourable to the seller than if such sale were a public sale or a control block sale; notwithstanding such circumstances, the Pledgor agrees that any such private sale shall not be deemed to have been made in a commercially unreasonable manner solely by reason of it being a private sale. The Lender shall be under no obligation to delay a sale of the Collateral for a period of time necessary to permit the Issuer or any other person to qualify such Collateral for public sale under applicable securities laws even if the Issuer would agree to do so or to permit a prospective purchaser to make a formal offer to all or substantially all persons who own property of the same kind as the Collateral. Upon the occurrence of demand pursuant to the Promissory Note or an Event of Default, the Pledgor hereby consents, and agrees to cause the Issuer to consent, to the disclosure by the Lender to the public generally and/or to any prospective purchaser of the Collateral of any information relating to the Collateral, whether confidential or not.

7.3 Third Party Dealings

No person dealing with the Lender, or any of its agents acting in respect of this Agreement need enquire:

- (a) as to whether demand pursuant to the Promissory Note or an Event of Default has occurred or is continuing;
- (b) as to whether the powers which the Lender is purporting to exercise have become or remain exercisable;
- (c) as to whether any monies remain due to the Lender upon the security of this Agreement or otherwise;
- (d) as to the necessity or expediency of the stipulations and conditions upon which any sale of the Collateral is made or otherwise as to the propriety or regularity of any sale of the Collateral or of any other dealing by the Lender with the Collateral; or
- (e) into the application of any monies paid to the Lender,

and such dealing is to be considered to be within the powers conferred on the Lender under this Agreement and to be valid, effective and irrevocable.

7.4 Application of Proceeds

Any Proceeds realized from the Collateral by the Lender through the enforcement of the rights of the Lender under this Agreement shall be applied as follows:

- (a) first, in payment of all fees, costs, charges and expenses of the Lender incurred in connection with the enforcement of the security hereof, including, without limitation, all legal fees and disbursements on a “solicitor and client” basis;
- (b) second, in payment to the Lender of the amounts required to satisfy the Obligations; and
- (c) third, the balance, if any, to the Pledgor or to whomever else may by law, be entitled to such balance.

7.5 Monies Actually Received

The Pledgor shall be entitled to be credited with the Proceeds arising from the possession, sale or other disposition of, or realization of security on, the Collateral only when such Proceeds are actually received by the Lender and such actual Proceeds shall, for the purposes of this Agreement, mean only those amounts actually received in cash by the Lender upon such possession, sale or other disposition of, or realization of security on, the Collateral.

7.6 Pledgor Liable for Deficiency

The Pledgor shall remain liable to the Lender for any deficiency after the Proceeds of any sale or other disposition of the Collateral are received by the Lender.

7.7 Remedies Not Exclusive

All rights, powers and remedies of the Lender under this Agreement may be exercised separately or in combination and shall be in addition to and not in substitution for any other security now or hereafter held by the Lender and any other rights, powers and remedies of the Lender however created or arising. No single or partial exercise by the Lender of any of the rights, powers and remedies under this Agreement or under any other security now or hereafter held by the Lender shall preclude any other and further exercise of any other right, power or remedy pursuant to this Agreement or any other security or at law, in equity or otherwise. The Lender shall at all times have the right to proceed against the Collateral or any other security in such order and in such manner as it shall determine without waiving any rights, powers or remedies which the Lender may have with respect to this Agreement or any other security or at law, in equity or otherwise. No delay or omission by the Lender in exercising any right, power or remedy hereunder or otherwise shall operate as a waiver thereof or of any other right, power or remedy.

7.8 Exclusion of Liability of Lender

Except in the case of gross negligence, wilful default or breach of contract on the part of the Lender or its officers or agents, the Lender shall not be liable for exercise or any failure to exercise its rights, power or remedies arising hereunder or otherwise, including, without limitation, taking possession of, collecting, enforcing, realizing, selling or otherwise disposing of, preserving or protecting the Collateral, or taking any steps or proceedings for any such purposes or any failure to do any of the foregoing. The Lender shall not have any obligation to examine any notices or other communications with respect to the Collateral or to advise the Pledgor of the expiry of any warrants, options or their rights in respect of or comprising the Collateral or to advise the Pledgor of any other matter relating to any issuers of any Collateral, and the Lender shall not have any obligation to take any steps or proceedings to preserve rights against prior parties to or in respect of the Collateral, whether or not in the Lender's possession. Subject to the foregoing, the Lender shall use reasonable care in the custody and preservation of the Collateral in its possession.

7.9 Exercise of Rights, Powers and Remedies by Nominee

The Lender may exercise any and all of its rights, powers and remedies hereunder directly or through its agents or nominees. The Lender may incur reasonable expenses in the exercise of its rights, powers and remedies set out in this Agreement.

7.10 Power of Attorney

Upon the occurrence of demand pursuant to the Promissory Note or any Event of Default that is continuing and has not been waived in writing by the Lender, the Pledgor hereby irrevocably authorizes and appoints the Lender as its true and lawful attorney, with full power of substitution for and in the name of the Pledgor, to sign and seal all documents and to fill in all blanks and to execute, deliver and do all such acts, deeds, documents, transfers, demands, conveyances, assignments, contracts, assurances, consents, and any additional powers of attorney necessary to give effect to this Agreement and generally to use the name of the Pledgor in connection therewith or herewith. This appointment shall be coupled with an interest and shall not be revoked by the insolvency, bankruptcy, death or subsequent mental infirmity of the Pledgor.

ARTICLE 8. **GENERAL**

8.1 Successors and Assigns

This Agreement will enure to the benefit of and be enforceable by the Lender and its successors and assigns and shall be binding upon the Pledgor and its successors and permitted assigns.

8.2 Entire Agreement

This Agreement has been entered into pursuant to the provisions of the Promissory Note and is subject to all the terms and conditions thereof and, if there is any conflict between the terms, conditions and provisions of this Agreement and the Promissory Note, the terms, conditions and provisions of the Promissory Note will prevail. In the event of any conflict between the terms,

conditions and provisions of this Agreement and any other Loan Document, those terms, conditions and provisions giving the greatest rights or benefit to the Lender shall prevail. Other than the Loan Documents, this Agreement cancels and supersedes any prior understandings and agreements between the Lender and the Pledgor with respect to the subject matter contained herein. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the Lender and the Pledgor with respect to the subject matter hereof except as expressly set forth herein or in the Promissory Note and the other Loan Documents.

8.3 Amendments and Waivers

No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by all of the parties hereto. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided in the written waiver, will be limited to the specific breach waived.

8.4 Severability

If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability will attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof will continue in full force and effect.

8.5 Notices

Any demand, notice or other communication to be given in connection with this Agreement must be given in writing in accordance with the notice provisions in the Promissory Note.

8.6 Additional Continuing Security

This Agreement and the Security Interest hereby are in addition to and not in substitution for any other security now or hereafter held by the Lender and this Agreement is a continuing agreement and security that will remain in full force and effect until discharged by the Lender.

8.7 Further Assurances

The Pledgor must at its expense from time to time do, execute and deliver, or cause to be done, executed and delivered, all such financing statements, further assignments, documents, acts, matters and things as may be requested by the Lender for the purpose of giving effect to this Agreement or for the purpose of establishing compliance with the covenants herein contained.

8.8 Termination

- (a) This Agreement may be terminated by:
 - (i) written agreement made between the Pledgor and the Lender; or

- (ii) notice in writing given by the Pledgor to the Lender at any time when all of the Obligations have been fully satisfied and performed by the Pledgor and the Promissory Note has been terminated in accordance with its terms.
- (b) Upon termination of this Agreement in accordance with the provisions of Section 8.8(a), the Lender shall, at the request and expense of the Pledgor, make and do all such acts and things and execute and deliver all such financing statements, instruments, agreements and documents as the Pledgor considers necessary or desirable to discharge the Security Interest, to release and discharge the Collateral therefrom and to record such release and discharge in all appropriate offices of public record.

8.9 Discharge

The Pledgor will not be discharged from any of the Obligations or from this Agreement except by a release or discharge signed in writing by the Lender.

8.10 Joint and Several Liability

Where, in this Agreement, any covenant, agreement, warranty, representation or obligation is made or imposed upon two or more persons or a party comprised of more than one person, each such covenant, agreement, warranty, representation or obligation shall be deemed to be and be read and construed as a joint and several covenant, agreement, warranty, representation or obligation of each such person or party, as the case may be.

8.11 Governing Law

This Agreement will be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein, without prejudice to or limitation of any other rights or remedies available to the Lender (but not the Pledgor) under the laws of any jurisdiction where property or assets of the Pledgor may be found.

8.12 Extensions Etc.

The Lender may grant extensions of time and other indulgences, take and give up securities, accept compromises, make settlements, grant releases and otherwise deal with the Pledgor, the Issuer, any other person, or the Collateral, all as the Lender may see fit and without prejudice to the liability of the Pledgor to the Lender hereunder and under the Obligations or the rights, powers and remedies of the Lender under this Agreement.

8.13 Degree of Care

The Pledgor agrees that the Lender is not a bailee for reward, an agent or fiduciary of the Pledgor and that the Lender's responsibility in respect of the Collateral is to use reasonable care in the custody and preservation thereof. The Pledgor agrees that, for the purposes of the PPSA, the Lender shall not be required to take any steps to preserve rights in the Collateral against any other person, whether or not the Collateral is in the possession of the Lender.

8.14 Executed Copy

The Pledgor hereby acknowledges receiving a copy of this Agreement, and waives all rights to receive from the Lender a copy of any financing statement, financing change statement or verification statement filed at any time or from time to time in respect of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF the Pledgor has executed this Agreement as of the day and year first above written.

AVENIR SPORTS ENTERTAINMENT LTD.

Per: 
Authorized Signatory

SCHEDULE A
EQUITY SECURITIES

NAME OF ISSUER	JURISDICTION	TYPE OF INTEREST	NUMBER OR PERCENTAGE OF INTEREST	CERTIFICATE NO. (Insert "N/A" if Uncertificated)
Avenir Sports Entertainment Corp.	Nevada	Shares of the Common Capital Stock	100	1

**THIS IS EXHIBIT "N" TO
THE AFFIDAVIT OF LEKAN TEMIDIRE
SWORN BEFORE ME THIS 28TH
DAY OF APRIL, 2020**



A Commissioner etc.

EQUITY INTEREST PLEDGE AGREEMENT

THIS EQUITY INTEREST PLEDGE AGREEMENT ("Agreement"), dated as of December 14, 2018, is executed and delivered by AVENIR SPORTS ENTERTAINMENT CORP., a Nevada corporation ("Pledgor"), in favor of BRIDGING FINANCE INC. ("Lender" or "Secured Party").

WITNESSETH:

WHEREAS, Pledgor is the record and beneficial owner of the equity interests described in Exhibit A hereto (the "Pledged Securities") issued by the entity named therein (individually and collectively referred to as the "Issuer");

WHEREAS, this Agreement is entered into in connection with that certain Demand Grid Promissory Note, dated as of even date herewith (the "Note"), issued by the Pledgor and other borrowing entities (collectively, with Pledgor, the "Borrowers") in favor of Lender, pursuant to which, Pledgor shall incur indebtedness and other obligations in favor of the Lender and shall jointly and severally guarantee all of the obligations of the Borrowers under the Note;

WHEREAS, as an inducement for the Lender to make the loan and other financial accommodations to the Borrowers under the Note and as a condition precedent to the effectiveness of thereof, Pledgor is required to execute and deliver this Agreement to the Lender to secure Pledgor's obligations under the Note; and

WHEREAS, it is in the best interests of Pledgor to execute this Agreement inasmuch as Pledgor will derive substantial direct and indirect benefits from the transactions contemplated by the Note, and Pledgor is willing to execute, deliver and perform its obligations under this Agreement to secure its obligations, under the Note, and any other Loan Document.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Pledgor agrees, for the benefit of the Lender, as follows:

1. Definitions. Unless otherwise defined herein, terms defined in the Note are used herein as therein defined, and the following shall have (unless otherwise provided elsewhere in this Agreement) the following respective meanings (such meanings being equally applicable to both the singular and plural form of the terms defined):

"Agreement" shall mean this Equity Interest Pledge Agreement, including all amendments, modifications and supplements and any exhibits or schedules to any of the foregoing, and shall refer to the Agreement as the same may be in effect at the time such reference becomes operative.

"Bankruptcy Code" shall mean Title 11, United States Code, as amended from time to time, and any successor statute thereto.

"Default" shall mean any "Event of Default" as defined in the Note.

"Lender" shall have the meaning set forth in the preamble hereto.

“Lien” means any mortgage, deed to secure debt, deed of trust, lien, pledge, charge, capital lease, conditional sale or other title retention agreement, or other security interest, security title or encumbrance of any kind in respect of any property.

“Obligations” shall mean all obligations of Pledgor incurred pursuant to the Note, whether for principal, interest, costs, fees, expenses or otherwise, howsoever created, arising or evidenced, whether direct or indirect, primary or secondary, fixed or absolute or contingent, joint or several, or now or hereafter existing under this Agreement and each other Loan Document to which it is or may become a party.

“Permitted Encumbrances” shall have the meaning assigned to such term in the Security Agreement.

“Person” means an individual, corporation, partnership, limited liability company, association, trust, unincorporated organization, government or any agency or political subdivision thereof, or any other entity.

“Pledged Collateral” shall have the meaning assigned to such term in Section 2 hereof.

“Security Agreement” shall mean that certain Security Agreement of even date herewith by and among the Pledgor, the Lender and Portland Winter Hawks, Inc.

2. Pledge. Pledgor hereby pledges, conveys, hypothecates, mortgages, assigns, sets over, delivers and grants to the Secured Party a security interest in all of the following (collectively, the “Pledged Collateral”):

2.1 All of the issued and outstanding equity interests of the Issuer as represented by the Pledged Securities and the certificates representing the Pledged Securities and, except as otherwise expressly stated in Section 7 of this Agreement, all dividends, distributions, cash, instruments and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Pledged Securities; and

2.2 all proceeds of any of the foregoing.

3. Security for Obligations. This Agreement secures, and the Pledged Collateral is security for, the payment and performance of all of the Obligations, whether now existing or hereafter arising.

4. Delivery of Pledged Securities. All certificates representing or evidencing the Pledged Securities shall be delivered to and held by or on behalf of the Secured Party pursuant hereto and shall be accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance satisfactory to the Secured Party. The Secured Party shall have the right, in its discretion following notice to Pledgor at any time after the occurrence of a Default that extends beyond any applicable grace or cure period, to notify the Pledgor of the existence of such uncured Default. Upon receipt of such written notice, Pledgor shall have five (5) days to cure such Default,

and in the event Pledgor shall fail to do so, the Secured Party shall have the right without further notice to transfer to or to register in the name of the Secured Party, or any of its nominees, subject to the terms of this Agreement, any or all of the Pledged Securities. In addition, the Secured Party shall have the right at any time following a Default to exchange certificates or instruments representing or evidencing Pledged Securities for certificates or instruments of smaller or larger denominations.

5. Representations and Warranties. Pledgor represents and warrants to the Secured Party that:

5.1 Pledgor is, and at the time of delivery of the Pledged Collateral to the Secured Party pursuant to Section 4 hereof will be, the sole holder of record and the sole beneficial owner of the Pledged Collateral free and clear of any Lien thereon or affecting the title thereto except for the Lien created in favor of Secured Party by this Agreement and the Liens created in favor of the Secured Party pursuant to the Note and other Loan Documents.

5.2 Pledgor has the right and requisite authority to pledge, assign, transfer, deliver, deposit and set over the Pledged Collateral to the Secured Party as provided herein.

5.3 To Pledgor's knowledge, none of the Pledged Collateral has been issued or transferred in violation of the securities registration, securities disclosure or similar laws of any jurisdiction to which such issuance or transfer may be subject. Pledgor's execution and delivery of this Agreement and the pledge of the Pledged Collateral hereunder do not, directly or indirectly, violate or result in a violation of any such laws.

5.4 No consent, approval, authorization or other order of any Person and no consent, authorization, approval, or other action by, and no notice to or filing with, any governmental departments, commissions, boards, bureaus, agencies or other instrumentalities, domestic or foreign, is required to be made or obtained by Pledgor either (a) for the pledge of the Pledged Collateral pursuant to this Agreement or for the execution, delivery or performance of this Agreement by Pledgor or (b) for the exercise by the Secured Party of the voting or other rights provided for in this Agreement or the remedies in respect of the Pledged Collateral pursuant to this Agreement, except as may be required in connection with such disposition by laws affecting the offering and sale of securities generally or as have otherwise been obtained, made or taken.

5.5 The pledge, assignment and delivery of the Pledged Collateral pursuant to this Agreement will create a valid Lien on and a perfected security interest in the Pledged Collateral and the proceeds thereof, securing the payment of the Obligations.

5.6 This Agreement has been duly authorized, executed and delivered by Pledgor and constitutes a legal, valid and binding obligation of Pledgor enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, or other similar laws affecting the rights of creditors generally or by the application of general equity principles.

The representations and warranties set forth in this Section 5 shall survive the execution and delivery of this Agreement.

6. Covenants. Pledgor covenants and agrees that until the payment in full of the Obligations:

6.1 Except as provided herein, without the prior written consent of the Secured Party, Pledgor will not sell, assign, transfer, pledge, or otherwise encumber any of its rights in or to the Pledged Collateral or any unpaid dividends or other unpaid distributions or payments with respect thereto or grant a Lien therein.

6.2 Pledgor will, at Pledgor's expense, promptly execute, acknowledge and deliver all such instruments and take all such action as the Secured Party from time to time may reasonably request in order to ensure to the Secured Party the benefits of the Liens in and to the Pledged Collateral intended to be created by this Agreement, including the filing of any necessary or desirable Uniform Commercial Code financing statements, which may be filed by the Secured Party with or without the signature of the applicable Pledgor, and will cooperate with the Secured Party, at Pledgor's expense, in obtaining all necessary approvals and making all necessary filings under federal or state law in connection with such Liens or any sale or transfer of the Pledged Collateral.

6.3 Pledgor has and will defend the title to the Pledged Collateral and the Liens of the Secured Party thereon against the claim of any Person and will maintain and preserve such Liens.

6.4 Pledgor will, upon obtaining any additional shares in the Issuer which are not already Pledged Collateral, promptly (and in any event within ten (10) Business Days) deliver to the Secured Party a Pledge Amendment, duly executed by Pledgor, in substantially the form of Exhibit B hereto (a "Pledge Amendment"), to confirm the pledge of such additional Pledged Securities pursuant to this Agreement; provided, however, that the failure of the applicable Pledgor to execute and deliver any such Pledge Amendment shall not prevent such additional Pledged Securities from being subject to the Lien created by this Agreement. Pledgors hereby authorize the Secured Party to attach each Pledge Amendment to this Agreement and agree that all shares listed on any Pledge Amendment delivered to the Secured Party shall for all purposes hereunder be considered Pledged Securities hereunder and shall be included in the Pledged Collateral.

6.5 Pledgor will pay all taxes, assessments and charges levied, assessed or imposed upon the Pledged Collateral owned by it before the same become delinquent or become Liens upon any of the Pledged Collateral except where such taxes, assessments and charges may be contested in good faith by appropriate proceedings.

6.6 Pledgor will not create, grant or suffer to exist any Lien on any of the Pledged Collateral except those in favor of the Secured Party and Permitted Encumbrances.

7. Distributions; Etc.

7.1 Right of Pledgor to Receive Distributions. For so long as no uncured or unwaived Default then exists, Pledgor shall have the right to receive cash distributions declared and paid with respect to the Pledged Collateral, to the extent such distributions not prohibited by any other agreement between the Pledgor and the Secured Party. Any and all shares or liquidating distributions, other distributions in property, return of capital or other distributions made on or in

respect of Pledged Collateral, whether resulting from a subdivision, combination or reclassification of the outstanding shares of the Issuer or received in exchange for Pledged Collateral or any part thereof or as a result of any merger, consolidation, acquisition or other exchange of assets to which the Issuer may be a party or otherwise, shall be and become part of the Pledged Collateral pledged hereunder and, if received by Pledgor, shall be received in trust for benefit of the Secured Party, be segregated from the other property and funds of Pledgor, and shall forthwith be delivered to the Secured Party to be held subject to the terms of this Agreement.

7.2 Holding Pledged Collateral; Exchanges. The Secured Party may hold any of the Pledged Collateral, endorsed or assigned in blank, and following a Default, may deliver any of the Pledged Collateral to the Issuer thereof for the purpose of making denominational exchanges or registrations or transfers or for such other reasonable purpose in furtherance of this Agreement as the Secured Party may deem desirable. The Secured Party shall have the right, if necessary to perfect its security interest, to transfer to or register in the name of the Secured Party or any of its nominees, any or all of the Pledged Collateral subject to the limitations stated herein; provided that notwithstanding the foregoing, until any transfer of beneficial ownership with respect to the Pledged Collateral pursuant to any exercise of remedies under Section 8 hereof, Pledgor shall continue to be the beneficial owner of the Pledged Collateral. In addition, the Secured Party shall have the right at any time following a Default to exchange certificates or instruments representing or evidencing Pledged Collateral for certificates or instruments of smaller or larger denominations.

7.3 Termination of Pledgor's Right to Receive Distributions. During the existence of any uncured or unwaived Default, all rights of Pledgor to receive any cash distributions pursuant to Section 7.1 hereof shall cease, and all such rights shall thereupon become vested in the Secured Party, and the Secured Party shall have the sole and exclusive right to receive and retain the distributions which Pledgor would otherwise be authorized to receive and retain pursuant to Section 7.1 hereof. In such event, Pledgor shall pay over to the Secured Party any distributions received by it with respect to the Pledged Collateral and any and all money and other property paid over to or received by the Secured Party pursuant to the provisions of this Section 7.3 shall be retained by the Secured Party as Pledged Collateral hereunder and/or shall be applied to the repayment of the Obligations in accordance with the provisions hereof.

7.4 Voting and Other Rights. For so long as no uncured or unwaived Default exists, Pledgor shall have the right to exercise any and all voting and other consensual rights pertaining to the Pledged Collateral or any part thereof for any purpose not inconsistent with the terms of this Agreement. The Secured Party shall execute and deliver (or cause to be executed and delivered) to the Pledgor all such proxies and other instruments as the Pledgor may reasonably request for the purpose of enabling the Pledgor to exercise the voting and other rights which it is entitled to exercise pursuant to this provision.

8. Remedies. Upon and after a Default notice to Pledgor and failure of Pledgor to cure, the Secured Party shall have the following rights and remedies so long as such Default shall be continuing:

8.1 Secured Creditor. All of the rights and remedies of a secured party under the Uniform Commercial Code of the State where such rights and remedies are asserted, or under other

applicable law, all of which rights and remedies shall be cumulative, and none of which shall be exclusive, to the extent permitted by law, in addition to any other rights and remedies contained in this Agreement.

8.2 Right of Sale. The Secured Party may, without further demand and without advertisement, further notice or legal process of any kind (except as may be required by law), all of which Pledgor waives, at any time or times (a) apply any cash distributions received by the Secured Party pursuant to Section 7.3 hereof to the Obligations and (b) if following such application there remains outstanding any Obligations, sell the remaining Pledged Collateral, or any part thereof at public or private sale or at any broker's board or on any securities exchange, for cash, upon credit or for future delivery as the Secured Party shall deem appropriate. The Secured Party shall be authorized at any such sale (if, on the advice of counsel, it deems it advisable to do so) to restrict the prospective bidders or purchasers to Persons who will represent and agree that they are purchasing the Pledged Collateral for their own account for investment and not with a view to the distribution or resale thereof, and upon consummation of any such sale the Secured Party shall have the right to assign, transfer and deliver to the purchaser or purchasers thereof the Pledged Collateral so sold. Each such purchaser at any such sale shall hold the property sold absolutely free from any claim or right on the part of Pledgor, and Pledgor hereby waives (to the extent permitted by law) all rights of redemption, stay and/or appraisal which Pledgor now has or may have at any time in the future under any rule of law or statute now existing or hereafter enacted. The proceeds realized from the sale of any Pledged Collateral shall be applied in the Secured Party's discretion in accordance with the terms of the Note or any other loan agreement pertaining to the Obligations.

8.3 Notice. In addition thereto, Pledgor further agrees that in the event that notice is necessary hereunder or under applicable law, written notice mailed to Pledgor in the manner specified in Section 16 hereof ten (10) days prior to the date of the disposition of the Pledged Collateral subject to the security interest created herein at any such public sale or sale at any broker's board or on any such securities exchange, or prior to the date after which private sale or any other disposition of said Pledged Collateral will be made, shall constitute commercially reasonable and fair notice.

8.4 Securities Act, etc. If, at any time when the Secured Party is permitted and shall determine to exercise its right to sell the whole or any part of the Pledged Collateral hereunder, such Pledged Collateral or the part thereof to be sold shall not, for any reason whatsoever, be effectively registered under the Securities Act of 1933, as now or hereafter in effect, or any similar statute now or hereafter in effect in any jurisdiction (collectively, the "Securities Laws"), the Secured Party may, in its commercially reasonable discretion (subject only to applicable requirements of law), sell such Pledged Collateral or part thereof by private sale in such manner and under such circumstances as the Secured Party may deem necessary or advisable, but subject to the other requirements of this Section 8, and shall not be required to effect such registration or to cause the same to be effected. Without limiting the generality of the foregoing, in any such event, the Secured Party in its discretion (a) may, in accordance with applicable securities laws, proceed to make such private sale notwithstanding that a registration statement for the purpose of registering such Pledged Collateral or part thereof could be or shall have been filed under any applicable Securities Law, (b) may approach and negotiate with a single possible purchaser to effect such sale, and (c) may restrict such sale to a purchaser who will represent and agree that such purchaser is purchasing for its

own account, for investment and not with a view to the distribution or sale of such Pledged Collateral or part thereof. In addition to a private sale as provided above in this Section 8, if any of the Pledged Collateral shall not be freely distributable to the public without registration under applicable Securities Laws at the time of any proposed sale pursuant to this Section 8, then the Secured Party shall not be required to effect such registration or cause the same to be effected but, in its discretion (subject only to applicable requirements of law), may require that any sale hereunder (including a sale at auction) be conducted subject to restrictions (i) as to the financial sophistication and ability of any Person permitted to bid or purchase at any such sale, (ii) as to the content of legends to be placed upon any certificates representing the Pledged Collateral sold in such sale, including restrictions on future transfer thereof, (iii) as to the representations required to be made by each Person bidding or purchasing at such sale relating to that Person's access to financial information about Pledgor and such Person's intentions as to the holding of the Pledged Collateral so sold for investment, for its own account, and not with a view to the distribution thereof, and (iv) as to such other matters as the Secured Party may, in its discretion, deem necessary or appropriate in order that such sale (notwithstanding any failure so to register) may be effected in compliance with the Bankruptcy Code and other laws affecting the enforcement of creditors' rights and all applicable Securities Laws.

8.5 Registration. Pledgor acknowledges that notwithstanding the legal availability of a private sale or a sale subject to the restrictions described above in paragraph 8.4, the Secured Party may, in its discretion and at its sole expense, elect to register any or all of the Pledged Collateral under applicable Securities Laws. Pledgor, however, recognizes that the Secured Party may be unable to effect a public sale of any or all the Pledged Collateral and may be compelled to resort to one or more private sales thereof. Pledgor also acknowledges that any such private sale may result in prices and other terms less favorable to the seller than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall be conducted in a commercially reasonable manner. The Secured Party shall be under no obligation to delay a sale of any of the Pledged Collateral for the period of time necessary to permit the registrant to register such securities for public sale under applicable Securities Laws, even if Pledgor would agree to do so.

8.6 Waiver of Certain Rights. Pledgor agrees that following the occurrence and during the continuance of a Default it will not at any time plead, claim or take the benefit of any appraisal, valuation, stay, extension, moratorium or redemption law now or hereafter in force in order to prevent or delay the enforcement of this Agreement, or the absolute sale of the whole or any part of the Pledged Collateral or the possession thereof by any purchaser at any sale hereunder, and each Pledgor waives the benefit of all such laws to the extent it lawfully may do so. Each Pledgor agrees that it will not interfere with any right, power or remedy of the Secured Party provided for in this Agreement or now or hereafter existing at law or in equity or by statute or otherwise, or the exercise or beginning of the exercise by the Secured Party of any one or more of such rights, powers or remedies. No failure or delay on the part of the Secured party to exercise any such right, power or remedy and, except as otherwise expressly stated herein, no notice or demand which may be given to or made upon Pledgor by the Secured Party with respect to any such remedies shall operate as a waiver thereof, or limit or impair the Secured Party's right to take any action or to exercise any power or remedy hereunder, without notice or demand, or prejudice its rights as against Pledgor in any respect.

8.7 Specific Performance. Pledgor further agrees that a breach of any of the covenants contained in this Section 8 will cause irreparable injury to the Secured Party and the Lenders, that the Secured Party and Lenders have no adequate remedy at law in respect of such breach and, as a consequence, agrees that each and every covenant contained in this Section 8 shall be specifically enforceable against Pledgor, and Pledgor hereby waives and agrees not to assert any defenses against an action for specific performance of such covenants except for a defense that the Obligations are not then due and payable in accordance with the agreements and instruments governing and evidencing such obligations.

9. Power of Attorney; Proxy.

9.1 During the existence of a Default that goes uncured following expiration of the cure period applicable to Pledgor per this Agreement, Pledgor irrevocably designates, makes, constitutes and appoints the Secured Party (and all Persons designated by the Secured Party) as its true and lawful attorney (and agent-in-fact) and the Secured Party, or the Secured Party's agent, may, without further notice to Pledgor, and at such time or times thereafter as the Secured Party or said agent, in its discretion, may determine, in the name of the applicable Pledgor or the Secured Party: (a) transfer the Pledged Collateral on the books of the issuer thereof, with full power of substitution in the premises; (b) endorse the name of Pledgor upon any checks, notes, acceptance, money orders, certificates, drafts or other forms of payment of security that come into the Secured Party's possession to the extent they constitute Pledged Collateral; and (c) do all acts and things necessary, in the Secured Party's discretion, to fulfill the obligations of Pledgor under this Agreement.

9.2 During the existence of a Default that goes uncured following expiration of the cure period applicable to AND IS IRREVOCABLE. The exercise by the Secured Party of any of its rights and remedies under this Section shall not be deemed a disposition of Pledged Collateral under Article 9 of the Uniform Commercial Code nor an acceptance by the Secured Party of any of the Pledged Collateral in satisfaction of any of the Obligations.

10. Waiver. No delay on the Secured Party's part in exercising any power of sale, Lien, option or other right hereunder, and except as otherwise expressly stated herein, no notice or demand which may be given to or made upon Pledgor by the Secured Party with respect to any power of sale, Lien, option or other right hereunder, shall constitute a waiver thereof, or limit or impair the Secured Party's right to take any action or to exercise any power of sale, Lien, option, or any other right hereunder, without notice or demand, or prejudice the Secured Party's rights as against Pledgor in any respect.

11. Assignment. The Secured Party may assign, endorse or transfer any instrument evidencing all or any part of the Obligations and the holder of such instrument shall be entitled to the benefits of this Agreement and this Pledge Agreement shall remain in full force and effect until terminated pursuant to the terms of the Note or the terms hereof, and shall be binding upon Pledgor and its successors, transferees and assigns and, subject to the limitations set forth in the Note, shall inure to the benefit of and be enforceable by Lender and its successors, transferees and assigns as permitted by the Note; provided that, Pledgor shall not assign any of its obligations hereunder (unless otherwise permitted under the terms of the Note or this Pledge Agreement).

12. Termination. This Agreement shall terminate and be of no further force or effect at such time as the Obligations shall be paid and performed in full and the Lenders' commitment to lend shall have been terminated. Upon such termination of this Agreement, the Secured Party shall immediately deliver to Pledgor the Pledged Collateral at the time subject to this Agreement and then in the Secured Party's possession or control and all instruments of assignment executed in connection therewith, free and clear of the Liens hereof and, except as otherwise provided herein, all of Pledgors' obligations hereunder shall at such time terminate. Furthermore upon such termination, the Secured Party and each of its assigns and successors-in-interest, if any, shall take such action and execute and deliver such documents (at Pledgors' cost) as may be necessary to terminate its security interest and evidence the release in favor of the Pledgor or any of their designees.

13. Reinstatement. This Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against Pledgor for liquidation or reorganization, should Pledgor become insolvent or make an assignment for the benefit of creditors or should a receiver or trustee be appointed for all or any significant part of Pledgor's assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Obligations, whether as a "voidable preference", "fraudulent conveyance", or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

14. Miscellaneous. This Agreement shall be binding upon Pledgor and its respective successors and assigns, and shall inure to the benefit of, and be enforceable by, the Secured Party and its successors and assigns, and shall be governed by, and construed and enforced in accordance with, the internal laws in effect in the State of New York, and none of the terms or provisions of this Agreement may be waived, altered, modified or amended except in writing duly signed for and on behalf of the Secured Party and Pledgor. Pledgor and Secured Party hereby irrevocably waive any right either may have to a trial by jury in respect of any litigation directly or indirectly at any time arising out of, under or in connection with this Agreement or any transaction contemplated hereby or associated herewith.

15. Severability. If for any reason any provision or provisions hereof are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or effect those portions of this Agreement which are valid.

16. Notices. Except as otherwise provided herein, whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties by any other party, or whenever any of the parties desires to give or serve upon any other a communication with respect to this Agreement, each such notice, demand, request, consent, approval, declaration or other communication shall be in writing and shall be delivered to Secured Party at 77 King Street West, Suite 2925, Toronto, Ontario M5K 1K7, and if to the Pledgor shall be delivered to the address set forth under Pledgor's signature below or to such other address as the Pledgor may notify the Secured Party from time to time.

17. Section Titles. The Section titles contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto.

18. Counterparts. This Agreement may be executed in any number of counterparts, which shall, collectively and separately, constitute one agreement.

[Signature pages follow]

PLEDGOR:

AVENIR SPORTS ENTERTAINMENT CORP.

By: 
Name: William Gallacher
Title: Secretary

Address:
808 1 St Sw #300
Calgary, AB T2P 1M9

EXHIBIT A
to the Equity Interest Pledge Agreement

Issuer	Certificate Number(s)	Number of Shares/Equity Interests
Portland Winter Hawks, Inc.	134	One (1) share of common stock, representing 100% of the issued and outstanding shares of Portland Winter Hawks, Inc.

EXHIBIT B
to the Equity Interest Pledge Agreement

PLEDGE AMENDMENT

This Pledge Amendment, dated _____, 20____, is delivered pursuant to Section 6.4 of the Equity Interest Pledge Agreement referred to below. The undersigned hereby (a) pledges, conveys, hypothecates, mortgages, assigns, sets over, delivers and grants to the Secured Party a security interest in the equity interests set forth below (the “Additional Securities”) and all dividends, distributions, cash, instruments and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Additional Securities, all on the terms and conditions set forth in that certain Equity Interest Pledge Agreement, dated as of December 14, 2018 (the “Equity Interest Pledge Agreement”), executed and delivered by the undersigned, as Pledgor, to Bridging Finance Inc., which terms and conditions are hereby incorporated herein by reference; (b) agrees that this Pledge Amendment may be attached to the Pledge Agreement; and (c) agrees that the Additional Securities listed on this Pledge Amendment shall be deemed to be a part of the Pledged Securities under the Equity Interest Pledge Agreement, shall become a part of the Pledged Collateral referred to in the Equity Interest Pledge Agreement and shall secure all Obligations referred to in the Equity Interest Pledge Agreement. Capitalized terms used herein but not defined shall have the meanings ascribed to such terms in the Equity Interest Pledge Agreement.

Name:

Issuer	Certificate Number(s)	Number of Shares/Membership Interests	Number of Shares/Membership Interests Issued and Outstanding

**THIS IS EXHIBIT "O" TO
THE AFFIDAVIT OF LEKAN TEMIDIRE
SWORN BEFORE ME THIS 28TH
DAY OF APRIL, 2020**



A Commissioner etc.



December 12, 2018

Bridging Finance Inc.
77 King St. W, Suite 2925
Toronto, Ontario
M5K 1K7

Dear Sirs:

Re: Portland Winter Hawks, Inc.

You have advised us that Bridging Finance Inc. is in the process of arranging financing (the "Financing") for Audible Capital Corp. of Calgary, Alberta and its subsidiaries, including, without limitation, Avenir Sports Entertainment Ltd. of Calgary, Alberta, Avenir Sports Entertainment Corp. of Las Vegas, Nevada and Portland Winter Hawks, Inc. of Portland, Oregon, and that all of the foregoing entities (the "Loan Parties") will be required to grant security relative to the Financing. In addition, Mr. William Gallacher ("Gallacher") will pledge 100% of the equity interests of Audible Capital Corp. to secure the Financing.

Our records indicate, and Gallacher has confirmed to us, that Portland Winter Hawks, Inc. is a wholly owned subsidiary of Avenir Sports Entertainment Corp., which in turn is a wholly owned subsidiary of Avenir Sports Entertainment Ltd., which in turn is a wholly owned subsidiary of Audible Capital Corp., which in turn is wholly owned by Gallacher.

You have requested the consent of the Western Hockey League ("WHL") pursuant to the WHL Bylaws and Constitution to the execution of security documentation by the Loan Parties, including without limitation, (i) a pledge of 100% of the equity interests of Portland Winter Hawks, Inc. owned by Avenir Sports Entertainment Corp., (ii) a pledge of 100% of the equity interests of Avenir Sports Entertainment Corp. owned by Avenir Sports Entertainment Ltd., (iii) a pledge of 100% of the equity interests of Avenir Sports Entertainment Ltd. owned by Audible Capital Corp., (iv) a pledge of 100% of the equity interests of Audible Capital Corp. owned by Gallacher, and (v) execution by Portland Winter Hawks, Inc. of security documents relative to the assets of Portland Winter Hawks, Inc., including the Portland WinterHawks WHL franchise, in each case, as a portion of the security to be provided by the Loan Parties relative to the Financing.

WESTERN HOCKEY LEAGUE

Father David Bauer Arena – 2424 University Drive NW
Calgary AB T2N 3Y9
Telephone: 403-693-3030 Fax: 403-693-3031
www.whl.ca

This will confirm that:

- (a) Portland Winter Hawks, Inc. is a member in good standing of the WHL;
- (b) the Commissioner and the WHL hereby consent to the assignment, mortgage, pledge, hypothecation or other security being granted by Gallacher and Audible Capital Corp. and its subsidiaries, including, without limitation, Avenir Sports Entertainment Ltd., Avenir Sports Entertainment Corp. and Portland Winter Hawks, Inc. in favor of Bridging Finance Inc. (collectively, the "Security"); and
- (c) enforcement of the Security shall be deemed to be a Transfer pursuant to Part 6, Transfer of Franchise Ownership, of the WHL Bylaws and Constitution and is subject to the provisions of Part 6 of the WHL Bylaws and Constitution, which requires, inter alia, the approval of any Transfer by the Board of Governors of the WHL by Special Resolution (two-thirds majority), and compliance with various other conditions as set forth in Part 6.

Please feel free to contact me should you require anything further.

Sincerely,



Ron Robison
Commissioner
Western Hockey League

**THIS IS EXHIBIT "P" TO
THE AFFIDAVIT OF LEKAN TEMIDIRE
SWORN BEFORE ME THIS 28TH
DAY OF APRIL, 2020**



A Commissioner etc.

Search ID #: Z12593410

Transmitting Party

WEST-END REGISTRATIONS LICENSING & SEARCHES
LTD. (P158)

10011 170 STREET
EDMONTON, AB T5P 4R5

Party Code: 50076967

Phone #: 780 483 8211

Reference #: 02889003-EDD3 5
9779

Search ID #: Z12593410

Date of Search: 2020-Apr-20

Time of Search: 08:18:53

Business Debtor Search For:

AUDIBLE CAPITAL CORP.

Exact Result(s) Only Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.



Search ID #: Z12593410

Business Debtor Search For:

AUDIBLE CAPITAL CORP.

Search ID #: Z12593410

Date of Search: 2020-Apr-20

Time of Search: 08:18:53

Registration Number: 17030310738

Registration Type: SECURITY AGREEMENT

Registration Date: 2017-Mar-03

Registration Status: Current

Expiry Date: 2022-Mar-03 23:59:59

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

1 AUDIBLE CAPITAL CORP.
300, 808 - 1 STREET SW
CALGARY, AB T2P 1M9

Current

Secured Party / Parties

Block

Status

1 BANK OF MONTREAL/BANQUE DE MONTREAL
350 7TH AVE S.W. 7TH FLOOR
CALGARY, AB T2P 3N9

Current

Collateral: General

Block

Description

Status

1 ALL PRESENT AND AFTER ACQUIRED PROPERTY

Current

Search ID #: Z12593410

Business Debtor Search For:

AUDIBLE CAPITAL CORP.

Search ID #: Z12593410

Date of Search: 2020-Apr-20

Time of Search: 08:18:53

Registration Number: 18012628911

Registration Date: 2018-Jan-26

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2022-Jan-26 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)**Block****Status**

1 AUDIBLE CAPITAL CORP.
300-808 1ST ST SW
CALGARY, AB T2P 1M9

Current

Block**Status**

2 AVENIR CONSOLIDATED CORPORATION
300-808 1ST ST SW
CALGARY, AB T2P 1M9

Current

Secured Party / Parties**Block****Status**

1 FORD CREDIT CANADA LEASING, A DIVISION OF CANADIAN ROAD LEASING
COMPANY
PO BOX 2400
EDMONTON, AB T5J 5C7

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1FMCU9GD9JUA05881	2018	Ford Escape	MV - Motor Vehicle	Current

Search ID #: Z12593410

Business Debtor Search For:

AUDIBLE CAPITAL CORP.

Search ID #: Z12593410

Date of Search: 2020-Apr-20

Time of Search: 08:18:53

Registration Number: 18121412316

Registration Date: 2018-Dec-14

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2023-Dec-14 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

Current

1 AUDIBLE CAPITAL CORP.
300, 808 - 1ST STREET SW
CALGARY, AB T2P 1M9

Block

Status

Current

2 AVENIR TRADING CORP.
300, 808 - 1ST STREET SW
CALGARY, AB T2P 1M9

Block

Status

Current

3 1892244 ALBERTA LTD.
300, 808 - 1ST STREET SW
CALGARY, AB T2P 1M9

Block

Status

Current

4 AVENIR SPORTS INTERNATIONAL CORPORATION
300, 808 - 1ST STREET SW
CALGARY, AB T2P 1M9

Block

Status

Current

5 1957932 ALBERTA LTD.
300, 808 - 1ST STREET SW
CALGARY, AB T2P 1M9

Block

Status

Current

6 AVENIR SPORTS ENTERTAINMENT LTD.
300, 808 - 1ST STREET SW
CALGARY, AB T2P 1M9

Search ID #: Z12593410

Secured Party / Parties

Block

Status

1 BRIDGING FINANCE INC., AS AGENT
77 KING STREET WEST, SUITE 2925
TORONTO, ON M5K 1K7

Current

Collateral: General

Block

Description

Status

1 ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY.

Current

Search ID #: Z12593410

Business Debtor Search For:

AUDIBLE CAPITAL CORP.

Search ID #: Z12593410

Date of Search: 2020-Apr-20

Time of Search: 08:18:53

Registration Number: 18121412336

Registration Date: 2018-Dec-14

Registration Type: LAND CHARGE

Registration Status: Current

Registration Term: Infinity

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

Current

1 AUDIBLE CAPITAL CORP.
300, 808 - 1ST STREET SW
CALGARY, AB T2P 1M9

Secured Party / Parties

Block

Status

Current

1 BRIDGING FINANCE INC., AS AGENT
77 KING STREET WEST, SUITE 2925
TORONTO, ON M5K 1K7

Result Complete

Search ID #: Z12593412

Transmitting Party

WEST-END REGISTRATIONS LICENSING & SEARCHES
LTD. (P158)

10011 170 STREET
EDMONTON, AB T5P 4R5

Party Code: 50076967

Phone #: 780 483 8211

Reference #: 02889008-EDD3 5
9779

Search ID #: Z12593412

Date of Search: 2020-Apr-20

Time of Search: 08:19:03

Business Debtor Search For:

AVENIR TRADING CORP.

Exact Result(s) Only Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.



Search ID #: Z12593412

Business Debtor Search For:

AVENIR TRADING CORP.

Search ID #: Z12593412

Date of Search: 2020-Apr-20

Time of Search: 08:19:03

Registration Number: 18121412316

Registration Date: 2018-Dec-14

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2023-Dec-14 23:59:59

Exact Match on:

Debtor

No: 2

Debtor(s)

Block

Status

Current

1 AUDIBLE CAPITAL CORP.
300, 808 - 1ST STREET SW
CALGARY, AB T2P 1M9

Block

Status

Current

2 AVENIR TRADING CORP.
300, 808 - 1ST STREET SW
CALGARY, AB T2P 1M9

Block

Status

Current

3 1892244 ALBERTA LTD.
300, 808 - 1ST STREET SW
CALGARY, AB T2P 1M9

Block

Status

Current

4 AVENIR SPORTS INTERNATIONAL CORPORATION
300, 808 - 1ST STREET SW
CALGARY, AB T2P 1M9

Block

Status

Current

5 1957932 ALBERTA LTD.
300, 808 - 1ST STREET SW
CALGARY, AB T2P 1M9

Search ID #: Z12593412

Block

6 AVENIR SPORTS ENTERTAINMENT LTD.
300, 808 - 1ST STREET SW
CALGARY, AB T2P 1M9

Status

Current

Secured Party / Parties

Block

1 BRIDGING FINANCE INC., AS AGENT
77 KING STREET WEST, SUITE 2925
TORONTO, ON M5K 1K7

Status

Current

Collateral: General

Block

Description

1 ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY.

Status

Current

Search ID #: Z12593412

Business Debtor Search For:

AVENIR TRADING CORP.

Search ID #: Z12593412

Date of Search: 2020-Apr-20

Time of Search: 08:19:03

Registration Number: 18121412446

Registration Date: 2018-Dec-14

Registration Type: LAND CHARGE

Registration Status: Current

Registration Term: Infinity

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

Current

1 AVENIR TRADING CORP.
300, 808 - 1ST STREET SW
CALGARY, AB T2P 1M9

Secured Party / Parties

Block

Status

Current

1 BRIDGING FINANCE INC., AS AGENT
77 KING STREET WEST, SUITE 2925
TORONTO, ON M5K 1K7

Result Complete

Search ID #: Z12593416

Transmitting Party

WEST-END REGISTRATIONS LICENSING & SEARCHES
LTD. (P158)

10011 170 STREET
EDMONTON, AB T5P 4R5

Party Code: 50076967
Phone #: 780 483 8211
Reference #: 02889015-EDD3 5
9780

Search ID #: Z12593416

Date of Search: 2020-Apr-20

Time of Search: 08:19:18

Business Debtor Search For:

1892244 ALBERTA LTD.

Exact Result(s) Only Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.



Search ID #: Z12593416

Business Debtor Search For:

1892244 ALBERTA LTD.

Search ID #: Z12593416

Date of Search: 2020-Apr-20

Time of Search: 08:19:18

Registration Number: 18121412316

Registration Date: 2018-Dec-14

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2023-Dec-14 23:59:59

Exact Match on: Debtor No: 3

Debtor(s)

<u>Block</u>		<u>Status</u>
1	AUDIBLE CAPITAL CORP. 300, 808 - 1ST STREET SW CALGARY, AB T2P 1M9	Current
<u>Block</u>		<u>Status</u>
2	AVENIR TRADING CORP. 300, 808 - 1ST STREET SW CALGARY, AB T2P 1M9	Current
<u>Block</u>		<u>Status</u>
3	1892244 ALBERTA LTD. 300, 808 - 1ST STREET SW CALGARY, AB T2P 1M9	Current
<u>Block</u>		<u>Status</u>
4	AVENIR SPORTS INTERNATIONAL CORPORATION 300, 808 - 1ST STREET SW CALGARY, AB T2P 1M9	Current
<u>Block</u>		<u>Status</u>
5	1957932 ALBERTA LTD. 300, 808 - 1ST STREET SW CALGARY, AB T2P 1M9	Current

Search ID #: Z12593416

Block

6 AVENIR SPORTS ENTERTAINMENT LTD.
300, 808 - 1ST STREET SW
CALGARY, AB T2P 1M9

Status

Current

Secured Party / Parties

Block

1 BRIDGING FINANCE INC., AS AGENT
77 KING STREET WEST, SUITE 2925
TORONTO, ON M5K 1K7

Status

Current

Collateral: General

Block

Description

1 ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY.

Status

Current

Search ID #: Z12593416

Business Debtor Search For:

1892244 ALBERTA LTD.

Search ID #: Z12593416

Date of Search: 2020-Apr-20

Time of Search: 08:19:18

Registration Number: 18121412407

Registration Date: 2018-Dec-14

Registration Type: LAND CHARGE

Registration Status: Current

Registration Term: Infinity

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

Current

1 1892244 ALBERTA LTD.
300, 808 - 1ST STREET SW
CALGARY, AB T2P 1M9

Secured Party / Parties

Block

Status

Current

1 BRIDGING FINANCE INC., AS AGENT
77 KING STREET WEST, SUITE 2925
TORONTO,, ON M5K 1K7

Result Complete

Search ID #: Z12593411

Transmitting Party

WEST-END REGISTRATIONS LICENSING & SEARCHES
LTD. (P158)

10011 170 STREET
EDMONTON, AB T5P 4R5

Party Code: 50076967

Phone #: 780 483 8211

Reference #: 02889005-EDD3 5
9779

Search ID #: Z12593411

Date of Search: 2020-Apr-20

Time of Search: 08:18:57

Business Debtor Search For:

AVENIR SPORTS ENTERTAINMENT LTD.

Both Exact and Inexact Result(s) Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.



Search ID #: Z12593411

Business Debtor Search For:

AVENIR SPORTS ENTERTAINMENT LTD.

Search ID #: Z12593411

Date of Search: 2020-Apr-20

Time of Search: 08:18:57

Registration Number: 18121412316

Registration Date: 2018-Dec-14

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2023-Dec-14 23:59:59

Exact Match on: Debtor No: 6

Inexact Match on: Debtor No: 4

Debtor(s)**Block****Status**

Current

1 AUDIBLE CAPITAL CORP.
300, 808 - 1ST STREET SW
CALGARY, AB T2P 1M9

Block**Status**

Current

2 AVENIR TRADING CORP.
300, 808 - 1ST STREET SW
CALGARY, AB T2P 1M9

Block**Status**

Current

3 1892244 ALBERTA LTD.
300, 808 - 1ST STREET SW
CALGARY, AB T2P 1M9

Block**Status**

Current

4 AVENIR SPORTS INTERNATIONAL CORPORATION
300, 808 - 1ST STREET SW
CALGARY, AB T2P 1M9

Block**Status**

Current

5 1957932 ALBERTA LTD.
300, 808 - 1ST STREET SW
CALGARY, AB T2P 1M9

Search ID #: Z12593411

Block

6 AVENIR SPORTS ENTERTAINMENT LTD.
300, 808 - 1ST STREET SW
CALGARY, AB T2P 1M9

Status

Current

Secured Party / Parties

Block

1 BRIDGING FINANCE INC., AS AGENT
77 KING STREET WEST, SUITE 2925
TORONTO, ON M5K 1K7

Status

Current

Collateral: General

Block

Description

1 ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY.

Status

Current

Search ID #: Z12593411

Business Debtor Search For:

AVENIR SPORTS ENTERTAINMENT LTD.

Search ID #: Z12593411

Date of Search: 2020-Apr-20

Time of Search: 08:18:57

Registration Number: 18121412529

Registration Type: LAND CHARGE

Registration Date: 2018-Dec-14

Registration Status: Current

Registration Term: Infinity

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

Current

1 AVENIR SPORTS ENTERTAINMENT LTD.
300, 808 - 1ST STREET SW
CALGARY, AB T2P 1M9

Secured Party / Parties

Block

Status

Current

1 BRIDGING FINANCE INC., AS AGENT
77 KING STREET WEST, SUITE 2925
TORONTO, ON M5K 1K7

Search ID #: Z12593411

Note:

The following is a list of matches closely approximating your Search Criteria,
which is included for your convenience and protection.

Debtor Name / Address

AVENIR SPORTS INTERNATIONAL CORPORATION
300, 808 - 1ST STREET SW
CALGARY, AB T2P 1M9

Reg.#

18121412316

SECURITY AGREEMENT

Debtor Name / Address

AVENIR SPORTS INTERNATIONAL CORPORATION
300, 808 - 1ST STREET SW
CALGARY, AB T2P 1M9

Reg.#

18121428699

LAND CHARGE

Result Complete

**THIS IS EXHIBIT “Q” TO
THE AFFIDAVIT OF LEKAN TEMIDIRE
SWORN BEFORE ME THIS 28TH
DAY OF APRIL, 2020**



A Commissioner etc.

UCC INFORMATION SEARCH**State of Oregon**

Corporation Division - UCC

Public Service Building - 255 Capitol Street NE, Suite 151

Salem, OR 97310-1327

503-986-2200

Date Searched: 04/23/2020 07:43
Search Performed By: public
Search Request: PORTLAND WINTER HAWKS, INC.
Search text as applied: PORTLANDWINTERHAWKS

The list ends with the words **'NOTHING FOLLOWS'**

Search Result #1**Lien Number: 91747558****Lapse Date: 12/12/2023****Type: UCC****File Number**

91747558

File Date

12/12/2018

Filing Type

Initial filing

Filing Action: Initial Filing**Debtor(s):****PORTLAND WINTER HAWKS, INC.**

300 N WINNING WAY PORTLAND OR 97227

Secured Parties:**BRIDGING FINANCE INC.**

77 KING STREET WEST, SUITE 2925 TORONTO ON M5K 1K7 CAN

NOTHING FOLLOWS

Notice: Information presented on this Web site is collected, maintained, and provided for the convenience of the reader. While every effort is made to keep such information accurate and up-to-date, the Secretary of State does not certify the authenticity of information herein that originates from third parties. The Secretary of State shall under no circumstances be liable for any actions taken or omissions made from reliance on any information contained herein from whatever source or any other consequences from any such reliance.

FILED: DEC 12, 2018 05:00 PM
OREGON SECRETARY OF STATE

UCC

LIEN NO. 91747558

PORTLAND WINTER HAWK

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER [optional]

B. E-MAIL CONTACT AT FILER [optional]

C. SEND ACKNOWLEDGMENT TO: (Name and Address)

Corporation Service Company
1127 Broadway St NE
Suite 310
Salem, OR 97301

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME -- Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME

PORTLAND WINTER HAWKS, INC.

OR

1b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

1c. MAILING ADDRESS

300 N WINNING WAY

CITY

PORTLAND

STATE

OR

POSTAL CODE

97227

COUNTRY

USA

2. DEBTOR'S NAME -- Provide only one debtor name (2a or 2b) (use exact, full name; do not omit, modify or abbreviate any part of the Debtor's name); if any part of the individual Debtor's name will not fit in line 2b, leave all of item 1 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

2c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME

BRIDGING FINANCE INC.

OR

3b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

3c. MAILING ADDRESS

77 KING STREET WEST, SUITE 2925

CITY

TORONTO

STATE

ON

POSTAL CODE

M5K 1K7

COUNTRY

CAN

4. COLLATERAL: This financing statement covers the following collateral:

All assets now owned or hereafter acquired.

5. Check only if applicable and check only one box: Collateral is ☐ held in a Trust (see UCC1Ad, item 17 and instructions) ☐ being administered by a Decedent's Personal Representative

6. Check only if applicable and check only one box:

☐ Public-Finance Transaction☐ A Debtor is a Transmitting Utility

7. ALTERNATIVE DESIGNATION (if applicable):

☐ Lessee/Lessor☐ Consignee/Consignor☐ Seller/Buyer☐ Bailee/Bailor☐ Licensee/Licensor

8. OPTIONAL FILER REFERENCE DATA

File with: State of Oregon

**THIS IS EXHIBIT “R” TO
THE AFFIDAVIT OF LEKAN TEMIDIRE
SWORN BEFORE ME THIS 28TH
DAY OF APRIL, 2020**



A Commissioner etc.

Dated as of July 1, 2019

Audible Capital Corp.
 Avenir Trading Corp.
 1892244 Alberta Ltd.
 Avenir Sports International Corporation
 1957932 Alberta Ltd.
 Avenir Sports Entertainment Ltd.
 Avenir Sports Entertainment Corp.
 Portland Winter Hawks, Inc.

Attention: William Gallacher, President

Dear Mr. Gallacher:

Re: Bridging Finance Inc. ("**BFI**") loan to Audible Capital Corp., Avenir Trading Corp., 1892244 Alberta Ltd., Avenir Sports International Corporation, 1957932 Alberta Ltd., Avenir Sports Entertainment Ltd., Avenir Sports Entertainment Corp. and Portland Winter Hawks, Inc. (collectively, the "**Borrower**") pursuant to a demand grid promissory note dated December 14, 2018 (the "**Note**")

All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Note.

Further to our recent conversations, we confirm that you have asked BFI to consider amending the Note to extend the term to March 31, 2020. In this regard, we confirm that BFI has agreed to amend the terms and conditions of the Note as follows:

1. From and after the date hereof, the term of the Note shall be extended to the earliest of: a) demand by BFI; b) the occurrence of an Event of Default; and c) March 31, 2020.
2. From and after the date hereof, the interest rate payable under the Note shall be changed from Bank of Montreal Prime Rate plus 8.05% from time to time per annum to 12% per annum.
3. The Borrower shall pay the sum of \$1,610,957.75 to BFI on acceptance of this Agreement which shall constitute an interest reserve (the "**Interest Reserve**"). The Interest Reserve shall be employed by BFI for the purpose of paying interest due to BFI during the term of the Note. The Interest Reserve shall only be available for such purpose, and not for any other purpose or use whatsoever. Notwithstanding the foregoing, on the occurrence of an Event of Default or demand by BFI, BFI may apply the Interest Reserve or any part thereof to any of the obligations of the Borrower to BFI or any part thereof as BFI may, in its discretion, determine. For greater certainty, the Borrower shall not be entitled to receive any interest in respect of the Interest Reserve. The Interest Reserve shall be secured by the Loan Documents.
4. The Borrower shall pay an work fee of \$250,000 plus HST to BFI, which extension fee shall be fully earned on the date hereof and payable on acceptance of this Agreement.
5. The Borrower shall be responsible for all legal fees and disbursements incurred by BFI in connection with the preparation and negotiation of this Agreement

6. This Agreement is supplemental to and shall be read with and be deemed to be part of the Note which shall be deemed to be amended *mutatis mutandis* as herein provided. Any reference to the Note and any agreements or documents entered into in connection with the same shall mean the Note as amended hereby and all such agreements and documents are also hereby amended *pro tanto* to give effect to this Agreement.
7. This Agreement may be executed in any number of separate counterparts by any one or more of the parties thereto, and all of said counterparts taken together shall constitute one and the same instrument. Delivery of an executed counterpart of this Agreement or any other present or future agreement between the parties hereto by telecopier, PDF or by other electronic means shall be as effective as delivery of a manually executed counterparts.
8. All the terms and conditions of the Note and Loan Documents are confirmed and ratified in all respects, shall survive and shall not merge with or be extinguished by the execution and delivery of this Agreement and shall hereafter continue in full force and effect, as amended.
9. The Borrower agrees that it will execute such further assurances with respect to this Agreement and the Note as may be required to evidence the true intent and meaning of this Agreement.
10. This Agreement shall be binding upon and ensure to the benefit of the parties hereto and their respective successors and permitted assigns.
11. This Agreement shall be construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable herein.

[THE REMAINDER OF THIS PAGE IS BLANK. SIGNATURE PAGE FOLLOWS]

Provided that the foregoing meets with your approval, kindly execute where indicated and return a PDF copy of this letter to BFI.

BRIDGING FINANCE INC.

Per: 

Name:

Title:

We Acknowledge and Accept the terms and conditions of this Agreement as of this 1st day of July, 2019.

AUDIBLE CAPITAL CORP.

Per: 

Name: William Gallacher

Title: President

I have authority to bind the corporation.

AVENIR TRADING CORP.

Per: 

Name: William Gallacher

Title: President

I have authority to bind the corporation.

1892244 ALBERTA LTD.

Per: 

Name: William Gallacher

Title: President

I have authority to bind the corporation.

AVENIR SPORTS INTERNATIONAL CORPORATION

Per: 

Name: William Gallacher

Title: President and Secretary

I have authority to bind the corporation.

1957932 ALBERTA LTD.Per: 

Name: William Gallacher

Title: President

I have authority to bind the corporation.

AVENIR SPORTS ENTERTAINMENT LTD.Per: 

Name: William Gallacher

Title: President

I have authority to bind the corporation.

AVENIR SPORTS ENTERTAINMENT CORP.Per: 

Name: William Gallacher

Title: Secretary

I have authority to bind the corporation.

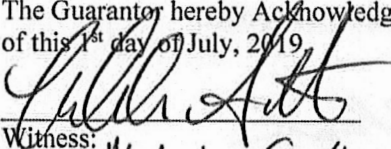
PORTLAND WINTER HAWKS, INC.Per: 

Name: William Gallacher

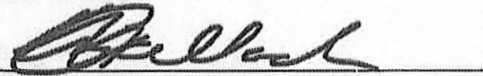
Title: Chief Executive Officer and Secretary

I have authority to bind the corporation.

The Guarantor hereby Acknowledges and Accepts the terms and conditions of this Agreement as of this 1st day of July, 2019.

Witness: 

Malcolm Smith


Name: William Gallacher

**THIS IS EXHIBIT "S" TO
THE AFFIDAVIT OF LEKAN TEMIDIRE
SWORN BEFORE ME THIS 28TH
DAY OF APRIL, 2020**



A Commissioner etc.

November 21, 2019

Audible Capital Corp.
 Avenir Trading Corp.
 1892244 Alberta Ltd.
 Avenir Sports International Corporation
 1957932 Alberta Ltd.
 Avenir Sports Entertainment Ltd.
 Avenir Sports Entertainment Corp.
 Portland Winter Hawks, Inc.

Attention: William Gallacher, President

Dear Mr. Gallacher:

Re: Bridging Finance Inc. ("**BFI**") loan to Audible Capital Corp., Avenir Trading Corp., 1892244 Alberta Ltd., Avenir Sports International Corporation, 1957932 Alberta Ltd., Avenir Sports Entertainment Ltd., Avenir Sports Entertainment Corp. and Portland Winter Hawks, Inc. (collectively, the "**Borrower**") pursuant to a demand grid promissory note dated December 14, 2018, as amended by a letter agreement dated as of July 1, 2019 (collectively, the "**Note**")

All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Note.

Further to our recent conversations, we understand that:

1. Audible Capital Corp. ("**ACC**") is selling 100% of its interest in the Swiss Entertainment Company SA, which owns 100% of the Lausanne Hockey Club SA, Lausanne Arena SA, and Restostep SA (the "**Transaction**").
2. The net proceeds of the sale of the Transaction are anticipated to be approximately 18 million Swiss Francs net only of debt and working capital adjustments.
3. The Transaction is expected to close on or about November 22, 2019 (the "**Closing Date**").
4. Pursuant to the Note and the Loan Documents, the Borrower requires the consent of BFI to the Transaction and the release of the BFI security interest in the shares of Swiss Entertainment Company SA (the "**Shares**").

In connection with the foregoing, BFI has agreed as follows:

1. Effective and conditional upon receipt of a wire transfer in the amount of \$5,000,000 by BFI to be applied as a permanent reduction of the principal amount of the Note, BFI consents to the Transaction and releases its interest in the Shares.

2. Within 2 business days (in Toronto) of the Closing Date, Borrower shall also pay the sum of \$596,720.88 to BFI to be added to the Interest Reserve and held in accordance with the existing terms of the Interest Reserve.
3. The Borrower agrees to use its best efforts to sell the shares or assets of Portland Winter Hawks, Inc, including, without limitation, starting a formal sales process satisfactory to BFI on or before January 6, 2020 (the "Process").
4. The Borrower will provide BFI with bi-weekly written updates on the status of the Process commencing February 3, 2020, and every other Monday thereafter until a sale has been concluded.
5. The Borrower and William Gallacher shall provide bi-weekly written updates on the status of the sale of the property municipally known as 10814 E Heritage Ct (Silverleaf), Scottsdale, AZ, USA and shall cause the proceeds of sale net only of customary closing costs, and repayment of the existing first mortgage over such property to be paid to BFI as a permanent reduction of the Note.
6. The Borrower shall be responsible for all legal fees and disbursements incurred by BFI in connection with the preparation, negotiation and administration of this Agreement which, if not paid forthwith, shall be added to the principal amount of the Note and be secured by the Loan Documents.
7. This Agreement is supplemental to and shall be read with and be deemed to be part of the Note which shall be deemed to be amended *mutatis mutandis* as herein provided. Any reference to the Note and any agreements or documents entered into in connection with the same shall mean the Note as amended hereby and all such agreements and documents are also hereby amended *pro tanto* to give effect to this Agreement.
8. This Agreement may be executed in any number of separate counterparts by any one or more of the parties thereto, and all of said counterparts taken together shall constitute one and the same instrument. Delivery of an executed counterpart of this Agreement or any other present or future agreement between the parties hereto by telecopier, PDF or by other electronic means shall be as effective as delivery of a manually executed counterparts.
9. All the terms and conditions of the Note and Loan Documents are confirmed and ratified in all respects, shall survive and shall not merge with or be extinguished by the execution and delivery of this Agreement and shall hereafter continue in full force and effect, as amended.
10. The Borrower agrees that it will execute such further assurances with respect to this Agreement and the Note as may be required to evidence the true intent and meaning of this Agreement.
11. This Agreement shall be binding upon and ensure to the benefit of the parties hereto and their respective successors and permitted assigns.
12. This Agreement shall be construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable herein.

[THE REMAINDER OF THIS PAGE IS BLANK. SIGNATURE PAGE FOLLOWS]

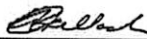
Provided that the foregoing meets with your approval, kindly execute where indicated and return a PDF copy of this letter to BFI.

BRIDGING FINANCE INC.

Per: 
 Name: Lekan Temidire
 Title: Managing Director


We Acknowledge and Accept the terms and conditions of this Agreement as of this 21st day of November, 2019.

AUDIBLE CAPITAL CORP.

Per: 
 Name: William Gallacher
 Title: President

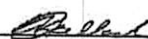
I have authority to bind the corporation.

AVENIR TRADING CORP.

Per: 
 Name: William Gallacher
 Title: President

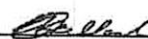
I have authority to bind the corporation.

1892244 ALBERTA LTD.

Per: 
 Name: William Gallacher
 Title: President


I have authority to bind the corporation.

AVENIR SPORTS INTERNATIONAL CORPORATION

Per: 
 Name: William Gallacher
 Title: President and Secretary

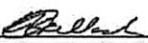
I have authority to bind the corporation.

1957932 ALBERTA LTD.

Per: 
 Name: William Gallacher
 Title: President

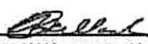
I have authority to bind the corporation.

AVENIR SPORTS ENTERTAINMENT LTD.

Per: 
 Name: William Gallacher
 Title: President

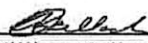
I have authority to bind the corporation.

AVENIR SPORTS ENTERTAINMENT CORP.

Per: 
 Name: William Gallacher
 Title: Secretary

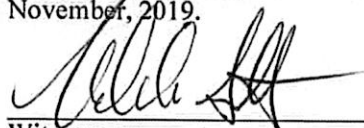
I have authority to bind the corporation.

PORTLAND WINTER HAWKS, INC.

Per: 
 Name: William Gallacher
 Title: Chief Executive Officer and Secretary

I have authority to bind the corporation.

The Guarantor hereby Acknowledges and Accepts the terms and conditions of this Agreement as of this 21st day of November, 2019.


 Witness: Malcolm Smith


 Name: William Gallacher

**THIS IS EXHIBIT "T" TO
THE AFFIDAVIT OF LEKAN TEMIDIRE
SWORN BEFORE ME THIS 28TH
DAY OF APRIL, 2020**



A Commissioner etc.



REPLY TO: HARVEY CHAITON
 FILE NO.: 32142
 DIRECT: 416-218-1129
 FAX: 416-218-1829
 EMAIL: harvey@chaitons.com

PERSONAL & CONFIDENTIAL

March 25, 2020

VIA REGISTERED MAIL AND E-MAIL

Audible Capital Corp.
 Avenir Trading Corp.
 1892244 Alberta Ltd.
 Avenir Sports International Corporation
 1957932 Alberta Ltd.
 Avenir Sports Entertainment Ltd.
 Avenir Sports Entertainment Corp.
 Suite 300, 808 1st Street South West
 Calgary AB T2P 1M9

Portland Winter Hawks, Inc.
 300 N Winning Way
 Portland, OR 97227

Attention: William Gallacher

Re: *Indebtedness of Audible Capital Corp., Avenir Trading Corp., 1892244 Alberta Ltd., Avenir Sports International Corporation, 1957932 Alberta Ltd., Avenir Sports Entertainment Ltd., Avenir Sports Entertainment Corp. and Portland Winter Hawks, Inc. (collectively, the "Borrowers") to Bridging Finance Inc., as Agent ("Bridging")*

Dear Sirs,

We are the lawyers for Bridging.

We are advised that as of March 24, 2020, the Borrowers are jointly and severally indebted to Bridging pursuant to a demand grid promissory note dated December 14, 2018, as amended (the "**Note**"), in the amount CDN\$20,550,804.92 for principal and interest, excluding fees and costs, broken down as follows:

Principal	\$19,999,985.66
Interest	<u>\$ 550,819.26</u>
TOTAL	\$20,550,804.92

Additional interest accrues at the Bank of Montreal's prime rate from time to time plus 8.05% per annum until the date of actual payment. As of the date hereof, the Bank of Montreal's prime rate is 2.95% per annum

The Borrowers' indebtedness to Bridging is secured by various security documents executed by the Borrowers.

Pursuant to the Note, interest is payable monthly in arrears on the last day of each calendar month. Without prejudice to Bridging's right to demand payment under the Note at any time, any failure by the Borrowers to pay when due any amount owing to Bridging under the Note is an event of default thereunder. Upon the occurrence of an event of default, all principal, interest and any other amounts outstanding under the Note and any documented third-party costs of Bridging in connection with same is immediately due and payable.

An event of default has occurred as a result of the Borrowers' failure to pay to Bridging the interest payment that was due on February 29, 2020.

On behalf of Bridging, we hereby demand payment of your indebtedness to our client. Unless the total amount owing as aforesaid together with interest accrued, fees and legal costs actually incurred to the date of payment or satisfactory arrangements therefor are made forthwith, Bridging shall take such steps as it deems necessary or advisable to recover payment of the Borrowers' indebtedness to it. Such steps may include enforcement of its security.

Enclosed please find a Notice of Intention to Enforce Security which is served upon you pursuant to section 244(1) of the *Bankruptcy and Insolvency Act* (Canada).

Yours truly,
CHAITONS LLP



Harvey Chaiton
PARTNER

cc: Bridging Finance Inc.

NOTICE OF INTENTION TO ENFORCE A SECURITY
(given pursuant to section 244 of the *Bankruptcy and Insolvency Act*)

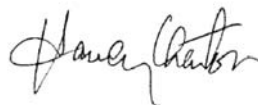
To: **Audible Capital Corp.**, an insolvent person

Take notice that:

1. **BRIDGING FINANCE INC.**, as agent, a secured creditor, intends to enforce its security on all of the present and after-acquired property, assets and undertaking of Audible Capital Corp.
2. The security that is to be enforced includes a Debenture dated December 14, 2018 and a Pledge and Security Agreement dated December 14, 2018 (collectively, the “**Security**”).
3. The total amount of indebtedness secured by the Security as at the close of business on March 24, 2020 is CDN\$20,550,804.92 inclusive of principal and interest, plus fees and costs.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Toronto, this 25th day of March, 2020.

BRIDGING FINANCE INC.,
by its lawyers, Chaitons LLP



Per: _____
Harvey Chaiton

NOTICE OF INTENTION TO ENFORCE A SECURITY
(given pursuant to section 244 of the *Bankruptcy and Insolvency Act*)

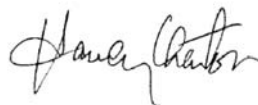
To: **Avenir Trading Corp.**, an insolvent person

Take notice that:

1. **BRIDGING FINANCE INC.**, as agent, a secured creditor, intends to enforce its security on all of the present and after-acquired property, assets and undertaking of Avenir Trading Corp.
2. The security that is to be enforced includes a Debenture dated December 14, 2018 (collectively, the “**Security**”).
3. The total amount of indebtedness secured by the Security as at the close of business on March 24, 2020 is CDN\$20,550,804.92 inclusive of principal and interest, plus fees and costs.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Toronto, this 25th day of March, 2020.

BRIDGING FINANCE INC.,
by its lawyers, Chaitons LLP



Per: _____
Harvey Chaiton

NOTICE OF INTENTION TO ENFORCE A SECURITY
(given pursuant to section 244 of the *Bankruptcy and Insolvency Act*)

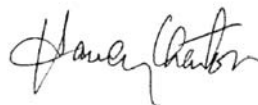
To: **1892244 Alberta Ltd.**, an insolvent person

Take notice that:

1. **BRIDGING FINANCE INC.**, as agent, a secured creditor, intends to enforce its security on all of the present and after-acquired property, assets and undertaking of 1892244 Alberta Ltd.
2. The security that is to be enforced includes a Debenture dated December 14, 2018 (collectively, the “**Security**”).
3. The total amount of indebtedness secured by the Security as at the close of business on March 24, 2020 is CDN\$20,550,804.92 inclusive of principal and interest, plus fees and costs.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Toronto, this 25th day of March, 2020.

BRIDGING FINANCE INC.,
by its lawyers, Chaitons LLP



Per: _____
Harvey Chaiton

NOTICE OF INTENTION TO ENFORCE A SECURITY
(given pursuant to section 244 of the *Bankruptcy and Insolvency Act*)

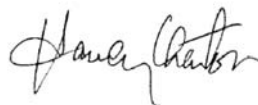
To: **1957932 Alberta Ltd.**, an insolvent person

Take notice that:

1. **BRIDGING FINANCE INC.**, as agent, a secured creditor, intends to enforce its security on all of the present and after-acquired property, assets and undertaking of 1957932 Alberta Ltd.
2. The security that is to be enforced includes a Debenture dated December 14, 2018 (collectively, the “**Security**”).
3. The total amount of indebtedness secured by the Security as at the close of business on March 24, 2020 is CDN\$20,550,804.92 inclusive of principal and interest, plus fees and costs.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Toronto, this 25th day of March, 2020.

BRIDGING FINANCE INC.,
by its lawyers, Chaitons LLP



Per: _____
Harvey Chaiton

NOTICE OF INTENTION TO ENFORCE A SECURITY
(given pursuant to section 244 of the *Bankruptcy and Insolvency Act*)

To: **Avenir Sports International Corporation**, an insolvent person

Take notice that:

1. **BRIDGING FINANCE INC.**, as agent, a secured creditor, intends to enforce its security on all of the present and after-acquired property, assets and undertaking of Avenir Sports International Corporation.
2. The security that is to be enforced includes a Debenture dated December 14, 2018 (collectively, the “**Security**”).
3. The total amount of indebtedness secured by the Security as at the close of business on March 24, 2020 is CDN\$20,550,804.92 inclusive of principal and interest, plus fees and costs.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Toronto, this 25th day of March, 2020.

BRIDGING FINANCE INC.,
by its lawyers, Chaitons LLP



Per: _____
Harvey Chaiton

NOTICE OF INTENTION TO ENFORCE A SECURITY
(given pursuant to section 244 of the *Bankruptcy and Insolvency Act*)

To: **Avenir Sports Entertainment Ltd.**, an insolvent person

Take notice that:

1. **BRIDGING FINANCE INC.**, as agent, a secured creditor, intends to enforce its security on all of the present and after-acquired property, assets and undertaking of Avenir Sports Entertainment Ltd.
2. The security that is to be enforced includes a Debenture dated December 14, 2018 and a Pledge and Security Agreement dated December 14, 2018 (collectively, the “**Security**”).
3. The total amount of indebtedness secured by the Security as at the close of business on March 24, 2020 is CDN\$20,550,804.92 inclusive of principal and interest, plus fees and costs.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Toronto, this 25th day of March, 2020.

BRIDGING FINANCE INC.,
by its lawyers, Chaitons LLP



Per: _____
Harvey Chaiton

NOTICE OF INTENTION TO ENFORCE A SECURITY
(given pursuant to section 244 of the *Bankruptcy and Insolvency Act*)

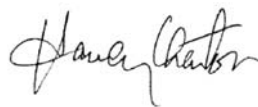
To: **Avenir Sports Entertainment Corp.**, an insolvent person

Take notice that:

1. **BRIDGING FINANCE INC.**, as agent, a secured creditor, intends to enforce its security on all of the present and after-acquired property, assets and undertaking of Avenir Sports Entertainment Corp. (other than 'Excluded Assets' as defined in the Security Agreement dated December 14, 2018).
2. The security that is to be enforced includes a Security Agreement dated December 14, 2018 and an Equity Interest Pledge Agreement dated December 14, 2018 (collectively, the "**Security**").
3. The total amount of indebtedness secured by the Security as at the close of business on March 24, 2020 is CDN\$20,550,804.92 inclusive of principal and interest, plus fees and costs.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Toronto, this 25th day of March, 2020.

BRIDGING FINANCE INC.,
by its lawyers, Chaitons LLP



Per: _____
Harvey Chaiton

NOTICE OF INTENTION TO ENFORCE A SECURITY
(given pursuant to section 244 of the *Bankruptcy and Insolvency Act*)

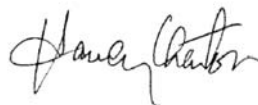
To: **Portland Winter Hawks, Inc.** an insolvent person

Take notice that:

1. **BRIDGING FINANCE INC.**, as agent, a secured creditor, intends to enforce its security on all of the present and after-acquired property, assets and undertaking of Portland Winter Hawks, Inc. . (other than 'Excluded Assets' as defined in the Security Agreement dated December 14, 2018).
2. The security that is to be enforced includes a Security Agreement dated December 14, 2018 (collectively, the "**Security**").
3. The total amount of indebtedness secured by the Security as at the close of business on March 24, 2020 is CDN\$20,550,804.92 inclusive of principal and interest, plus fees and costs.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Toronto, this 25th day of March, 2020.

BRIDGING FINANCE INC.,
by its lawyers, Chaitons LLP



Per: _____
Harvey Chaiton

**THIS IS EXHIBIT “U” TO
THE AFFIDAVIT OF LEKAN TEMIDIRE
SWORN BEFORE ME THIS 28TH
DAY OF APRIL, 2020**



A Commissioner etc.

FORBEARANCE AGREEMENT

THIS AGREEMENT is made as of the 4 day of April, 2020,

BETWEEN:

BRIDGING FINANCE INC., AS AGENT
(the “**Lender**”)

– and –

AUDIBLE CAPITAL CORP., AVENIR TRADING CORP., 1892244 ALBERTA LTD.
AVENIR SPORTS INTERNATIONAL CORPORATION, 1957932 ALBERTA LTD.,
AVENIR SPORTS ENTERTAINMENT LTD.,
AVENIR SPORTS ENTERTAINMENT CORP. and
PORTLAND WINTER HAWKS, INC.
(collectively, the “**Borrowers**”)

– and –

WILLIAM GALLACHER
(the “**Guarantor**”)

RECITALS:

- A. Pursuant to a demand grid promissory note dated December 14, 2018, as amended (the “**Note**”), the Lender advanced a loan in the amount of \$20.0 million to the Borrowers (the “**Loan**”).
- B. The Borrowers and the Guarantor have executed and delivered to the Lender the agreements described in **Schedule “A”** attached hereto as security for the Loan and other obligations owed by the Borrowers and the Guarantor to the Lender (collectively, the “**Security**”).
- C. The Borrowers are in default of their obligations to the Lender under the Note and the Security.
- D. By letter dated March 25, 2020, the Lender demanded payment of the Borrowers’ indebtedness, liabilities and obligations to the Lender and issued Notices of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”) to each of the Borrowers.
- E. At the request of the Borrowers and the Guarantor, the Lender has agreed to forbear from enforcing the Security, subject to and in accordance with the terms of this Forbearance Agreement (the “**Agreement**”).

NOW THEREFORE THIS AGREEMENT WITNESSETH that for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto, the parties agree as follows:

ARTICLE 1 - INTERPRETATION

- 1.1 **Definitions.** In this Agreement, unless the context otherwise requires, all capitalized terms defined in the Note and the Security and not otherwise defined herein shall have the meanings ascribed to such terms in the Note and the Security, as applicable.
- 1.2 **Gender and Number.** Words importing the singular include the plural and vice versa and words importing gender include all genders.
- 1.3 **Time.** Time is of the essence in the performance of the Borrowers' and the Guarantor's obligations.
- 1.4 **Severability.** Each of the provisions contained in this Agreement is distinct and severable, and a declaration of invalidity, illegality or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision of this Agreement.
- 1.5 **Headings.** The division of this Agreement into articles, sections and clauses, and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- 1.6 **Entire Agreement.** This Agreement, the Note and the Security together with the agreements and other documents required to be delivered pursuant to this Agreement, constitute the entire agreement between the parties and set out all the covenants, promises, warranties, representations, conditions, understandings and agreements between the parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written. There are no covenants, promises, warranties, representations, conditions, understanding or other agreements, oral or written, express, implied or collateral between the parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement and any document required to be delivered pursuant to this Agreement.
- 1.7 **Governing Law.** This Agreement shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
- 1.8 **Conflicts.** If there is any inconsistency or conflict between the terms of this Agreement and the terms of the Note and the Security or any other agreement executed in connection therewith or herewith, the provisions of this Agreement shall prevail to the extent of the inconsistency.

ARTICLE 2 - ACKNOWLEDGEMENTS

- 2.1 **Recitals.** The parties hereto acknowledge and agree that each of the foregoing recitals is true and accurate both in substance and in fact.

- 2.2 **Indebtedness.** The Borrowers acknowledge that as of March 31, 2020, the amount owing to the Lender under the Note and secured by the Security is \$20,596,706.53, as more particularly described in **Schedule “B”** hereto (together with all additional accrued interest, fees, costs, and other amounts payable under the Note and the Security, the “**Indebtedness**”). The Borrowers confirm that the Indebtedness is unconditionally owing to the Lender, they do not dispute that they are liable to pay the Indebtedness to the Lender on any ground whatsoever, they have no claim, demand, setoff or counterclaim against the Lender on any basis whatsoever, and there is no matter, fact or thing which may be asserted by them in extinction or diminution of the Indebtedness or result in any bar to or delay in the recovery thereof. If there are any claims for setoff, counterclaim or damages, they are hereby expressly released and discharged.
- 2.3 **Default.** The Borrowers acknowledge and agree that they are in default of their obligations contained in the Note and the Security, including without limitation by reason of their non-payment of the Indebtedness pursuant to the Demand (as such term is defined below).
- 2.4 **The Borrowers.** The Borrowers acknowledge and agree that the Note and the Security now held by the Lender for payment and performance of the Indebtedness have not been released, waived or varied, and are valid, binding and enforceable against them in accordance with their written terms.
- 2.5 **Guarantor.** The Guarantor confirms that he has guaranteed the payment and performance of the Indebtedness and obligations owing by the Borrowers to the Lender in accordance with the Guarantee (as defined in Schedule “A”). The Guarantor does not dispute his liability to the Lender under the Guarantee on any basis whatsoever and confirms that he has no claim for setoff, counterclaim or damages on any basis whatsoever against the Lender. If there are any claims, they are hereby expressly released and discharged. The Guarantor confirms that the Guarantee has not been released, waived or varied, that it is binding upon him and that it is valid and enforceable against him in accordance with its written terms.
- 2.6 **Lender’s Rights.** Each of the Borrowers and the Guarantor acknowledges, confirms and agrees that the Lender is entitled to exercise its rights and remedies under the Note and the Security, at law and in equity. Each of the Borrowers and the Guarantor further acknowledges and agrees that except as provided in this Agreement, the Lender (by itself or through its employees or agents) has not made any promises, or taken any action or omitted to take any action which would constitute a waiver of its right to take any enforcement action in connection with the enforcement of the Note and the Security, or which would estop it from so doing and that no statement, representation, promise, act or omission by the Lender or its employees or agents shall create such a waiver or estoppel. Each of the Borrowers and the Guarantor acknowledges and agrees that by entering into this Agreement, the Lender, except as provided in this Agreement, has not waived any of its rights under any of the Note and the Security, including without limitation the Lender’s right to take any enforcement action in connection with the enforcement of the Note and the Security.

- 2.7 **Demand Letter and BIA Notices.** The Borrowers each acknowledge receipt of a demand letter sent by Lender dated March 25, 2020 (the “**Demand**”) wherein the Lender demanded immediate payment of their respective indebtedness, obligations and liabilities to the Lender. The Borrowers each acknowledge receipt of a Notice of Intention to Enforce Security dated March 25, 2020 (collectively, the “**BIA Notices**”) issued on behalf of the Lender pursuant to Section 244(1) of the BIA. The Borrowers each further acknowledge that the Demand and the BIA Notices are valid and effective, and that the time given by the Lender for payment was reasonable. The Borrowers each agree not to contest the validity of the Demand, the BIA Notices, or the reasonableness of the time given for payment in any proceeding for any reason whatsoever.
- 2.8 **Guarantor Demand Letter.** The Guarantor acknowledges that, notwithstanding the forbearance herein provided, the Lender is entitled, during the Forbearance Period (as hereinafter defined), to issue and deliver written demand to the Guarantor for repayment of his indebtedness and obligations to the Lender. Subject to the terms of this Agreement, the Lender shall take no further steps to enforce the Guarantee until the earlier of the occurrence of an Event of Default (as hereinafter defined) or the expiration of the Forbearance Period.

ARTICLE 3 - FORBEARANCE

- 3.1 The Borrowers and the Guarantor have requested and the Lender has agreed to forbear from enforcing the Security, subject to and in accordance with the terms of this Agreement.
- 3.2 The Lender agrees not to take any steps to enforce the Security until the earlier of:
- (a) April 30, 2020 (or such later date as the Lender, acting in its sole discretion may agree to in writing); and
 - (b) the occurrence of an Event of Default,
- (hereinafter referred to as the “**Forbearance Termination Date**” and the period commencing on the date hereof and ending on (but excluding) the Forbearance Termination Date is the “**Forbearance Period**”).
- 3.1. **Tolling.** Commencing on the next Business Day (as defined herein) following execution of this Agreement and continuing until the date the Indebtedness has been permanently repaid and cancelled, the parties hereto each agree to toll and suspend the running of the applicable contractual time limitations on the commencement of proceedings, any demands for payment, claims or defences, statutes of limitation, laches or other doctrines related to the passage of time in relation to the Loan, the Note and the Security and any entitlements arising therefrom or any other related matters, or any time-related doctrine (the “**Tolling Agreement**”). Each of the parties confirms that the Tolling Agreement is intended to be an agreement to suspend or extend the basic limitation period provided by section 4 of the *Limitations Act, 2002* (Ontario) (the “**Limitations Act**”) as well as the ultimate limitations period provided by section 15 of the *Limitations Act* in accordance with the provisions of section 22(3) and 22(4) of the *Limitations Act* and is intended to be a “business agreement” in accordance with section 22(5) of the *Limitations Act* and any contractual time limitations

on the commencement of proceedings, any claims or defences based upon such statute of limitations, contractual limitations or any time related doctrine including waiver, estoppel or laches.

ARTICLE 4 - CONDITIONS

- 4.1 The Lender's agreement to forbear is conditional upon compliance on or before 5:00 p.m. on April 8, 2020 with each of the following terms and conditions, which conditions have been inserted solely for the benefit of the Lender and may be waived by the Lender, in its sole and unfettered discretion:
- (a) the Borrowers and the Guarantor delivering executed copies of this Agreement;
 - (b) the Lender receives payment of the unpaid interest for the months of February and March 2020 in the amount of \$596,720.87;
 - (c) the Lender receives payment from the Borrowers in the amount of \$5.0 million; and
 - (d) the Guarantor delivering a sworn personal net worth statement in a form acceptable to the Lender, acting reasonably.

Amounts received by the Lender under this section shall be applied to the Indebtedness in accordance with the terms of the Note and the Security.

ARTICLE 5 - COVENANTS AND AGREEMENTS

During the Forbearance Period:

- 5.1 **Fees.** In consideration for the agreements contained herein, the Borrowers agree to pay the following fees to the Lender:
- (a) a fully earned and non-refundable forbearance fee of \$630,000 (the "**Forbearance Fee**"); and
 - (b) in the event that the Lender agrees to an extension of the Forbearance Period, extension fee ("**Extension Fee**") in the amount of one per cent (1.0%) of the total outstanding Indebtedness as of the first day of each calendar month that the Forbearance Period is extended by the Lender.

The Forbearance Fee shall be paid by the Borrowers to the Lender contemporaneously with the execution of this Agreement.

The Extension Fee shall be fully earned on the first day of each calendar month that the Forbearance Period is extended by the Lender and shall be paid by the Borrowers to the Lender on the first Business Day of each calendar month that the Forbearance Period is extended by the Lender.

- 5.2 **Interest.** Effective as of the date hereof, the interest rate chargeable for the Loan is increased to 18.0%, which shall be payable monthly in arrears on the last day of each calendar month commencing the month hereof.
- 5.3 **Sales.** The Borrowers and the Guarantor shall actively and diligently take all steps necessary to market and sell the Portland Winterhawks hockey team and the property municipally known as 10814 E Heritage Court, Scottsdale, Arizona 85255 (the “**Property**”) for an amount sufficient to irrevocably repay the Indebtedness to the Lender in full by no later than April 30, 2020. In connection therewith, the Borrowers and the Guarantor shall:
- (a) deliver to the Lender copies of all letters of interest/intent or any similar non-binding written expression of interest with respect to the sale of any of the Property;
 - (b) deliver to the Letter copies of all offers, agreements of purchaser and sale or any similar binding agreement with the respect to the sale of any of the Property; and
 - (c) complete the sale of the Property and repay the Indebtedness to the Lender by April 30, 2020.
- 5.4 **Updates.**
- (a) The Guarantor shall have a telephone call with a representative of the Lender on each Business Day during the Forbearance Period to provide an update on the status of the sale of the Property. In the event that the Guarantor is not available on any day, he shall be replaced by Jacquie Shivak.
 - (b) The Guarantor and Jacquie Shivak shall have a telephone call with a representative of the Lender during each week of the Forbearance Period to provide an update on the steps being taken by the Borrowers to repay the Indebtedness in full and the progress of such steps.
- 5.5 **Management.** The Borrowers shall not permit there to be any change in their respective senior management without the prior written consent of the Lender acting reasonably.
- 5.6 **Reporting Requirements.** The Borrowers are required to satisfy all reporting requirements set out in the Note and the Security as amended by this Agreement and shall promptly provide the Lender with whatever additional documentation and information that it may require.
- 5.7 **Priority Payables.** The Borrowers and the Guarantor shall keep current all of their obligations to their creditors who may have a lien, charge, security interest or deemed trust in their respective properties and assets which may rank in priority to the security held by the Lenders on such properties and assets, including, without limitation, all amounts owing for wages, vacation pay, property tax, rent for the Borrowers’ leased premises, employee source deductions, harmonized goods and services tax, and provincial sales tax (collectively, the “**Priority Payables**”).

- 5.8 **Proof of Priority Payables.** The Borrowers and the Guarantor shall provide written evidence to the Lender, forthwith upon request made by the Lender, that all Priority Payables have been paid, such written evidence to be in a form and content to the satisfaction of the Lender in its sole and absolute discretion.
- 5.9 **Payments to Creditors.** The Borrowers shall utilize their available cash in a manner so as to ensure their respective continued operation, and not to make any payments out of the ordinary course of business.
- 5.10 **Agreements Out of Ordinary Course.** The Borrowers shall not enter into any material agreements out of the ordinary course of business, except with the prior written consent of the Lender, which consent may be withheld in the Lender's sole discretion.
- 5.11 **Encumbrances, etc.** The Borrowers and the Guarantor shall not encumber, sell, transfer, convey, lease or otherwise dispose of any of their respective assets or property out of the ordinary course of business without the prior written consent of the Lender, which consent may be withheld in the Lender's sole discretion.
- 5.12 **Loans, Advances, etc.** The Borrowers shall not, without the prior consent of the Lender, make any loans or advance money or property to any other person or invest in or purchase shares of another party or guarantee, assume or otherwise become responsible for the indebtedness, performance or obligations of any other person.
- 5.13 **Remuneration.** Without the prior written consent of the Lender, the Borrowers shall not make any distributions, directly or indirectly, to or for the benefit of any shareholder, director, officer, employee or any other person not dealing at arm's-length with the Borrowers, other than the current remuneration paid by the Borrowers to such individuals.
- 5.14 **Corporate Existence.** The Borrowers shall maintain their corporate existence as valid and subsisting entities and shall not merge, amalgamate or consolidate with any other corporation(s) without the Lender's prior written consent.
- 5.15 **Access to Premises, Books and Records.** The Borrowers shall upon request, permit the Lender its representatives or agents, during normal business hours, to enter upon their respective premises to inspect their respective property and assets, and to examine and take away copies of all books and records relating thereto.
- 5.16 **Notice of Default.** The Borrowers shall forthwith provide the Lender with written notice of the occurrence of an Event of Default hereunder.
- 5.17 **Notice of Proceedings.** The Borrowers shall provide the Lender with notice of the commencement of any legal proceeding brought by any person against them within one Business Day of receipt of same, and provide the Lender with a copy of the relevant pleadings and diligently keep the Lender current and up to date with respect to the status of any such proceeding;
- 5.18 **Material Contracts.** The Borrowers shall not surrender, terminate, repudiate or amend, vary or modify in a manner adverse to the Lender acting reasonably, any material contract

with respect to its property and assets without the prior written consent of the Lender which may be withheld in the Lender's discretion, acting reasonably.

- 5.19 **Other Agreements.** The covenants and other terms and conditions contained in the Note and the Security shall continue in full force and effect, except that, to the extent there exists any actual inconsistency between such provisions and the provisions of this Agreement, the provisions of this Agreement shall govern; and
- 5.20 **Insolvency Proceedings.** The Borrowers shall not commence any proceeding under the *BIA*, the *Companies' Creditors Arrangement Act* (Canada) ("**CCAA**"), Chapters 7 or 11 of the *Bankruptcy Code* (collectively, "**US Proceedings**"), or similar legislation without the Lender's prior written consent. In the event that any of the Borrowers commence such proceedings, they agree that the Lender shall be an "unaffected creditor" under any such proceedings and hereby consent to a court order lifting any stay of proceeding as against the Lender

ARTICLE 6 - DEFAULT

- 6.1 **Events of Default.** Any one or more of the following events will constitute an event of default under this Agreement (each an "**Event of Default**");
- (a) the non-payment when due of any principal, interest or other amounts payable by the Borrower to the Lender under this Agreement, the Note or the Security;
 - (b) a default or breach of any obligation, promise, covenant, term or condition occurs under this Agreement, the Note or the Security after execution of this Agreement;
 - (c) any representation or warranty made by any of the Borrowers or the Guarantor in the Note or the Security, or in any certificate or other document delivered to the Lender in connection with the Note, the Security or this Agreement, is false or misleading in any material respect;
 - (d) the Borrowers have failed to irrevocably repay the Indebtedness to the Lender in full by April 30, 2020;
 - (e) any change of ownership, control or management of any of the Borrowers, without the prior written consent of the Lender;
 - (f) any default occurs under any material contract which would permit the counter party to terminate the contract;
 - (g) any of the Borrowers ceases or threatens to cease to carry on its business or a substantial part thereof in the ordinary course;
 - (h) any of the Borrowers or the Guarantor becomes insolvent or bankrupt, or makes or files a petition, application, proposal, a notice of intention to make a proposal or an assignment for the benefit of creditors under the *BIA*, the *CCAA*, the *Bankruptcy Code* or comparable legislation in Canada or any other jurisdiction; an application

for a bankruptcy order or for the appointment of a receiver, receiver and manager or interim receiver is filed against any of the Borrowers or the Guarantor; a receiver is appointed with respect to any of the Borrowers; or, if proceedings are initiated under any legislation by or against any of the Borrowers for its restructuring, liquidation, winding-up, dissolution or reorganization or any arrangement or composition of its debts;

- (i) any person takes possession of all or any material part of the property of any of the Borrowers or the Guarantor by distress or execution or similar process is levied or enforced against all or any material part of the property of any of the Borrowers or the Guarantor;
- (j) any other creditor of the Borrowers or the Guarantor exercises or purports to exercise any rights against any of the property, assets or undertaking of any of the Borrowers or the Guarantor;
- (k) the non-payment when due of any Priority Payables amount owed by any of the Borrowers or the Guarantor;
- (l) any default occurs under any other credit, loan or security agreement executed and delivered by any of the Borrowers or the Guarantor to any other creditor;
- (m) if any financial reporting information provided by or on behalf of the Borrowers to the Lender proves to be false, misleading, inaccurate or incorrect in any material respect, or if there is a failure to provide the Lender with such financial reporting or other information as they may require from time to time acting reasonably; or
- (n) if the Lender, in its sole and absolute discretion, acting reasonably, determines that there's a material adverse change in the business or financial condition of any of the Borrowers or the Guarantor.

6.2 **Remedies.** In addition to the Lender's rights and remedies available under the Note, the Security, under this Agreement, at law or in equity, on the Forbearance Termination Date or upon the occurrence of an Event of Default, whichever is earlier:

- (a) the outstanding balance of the Indebtedness owing by the Borrowers to the Lender shall, at the option of the Lender, become immediately due and payable; and
- (b) the Security shall, at the Lender's option, become enforceable in accordance with their terms, including without limitation the Lender's right to the appointment of a private receiver or the court appointment of an interim receiver, national receiver and receiver and manager of the property, assets and undertakings of any of the Borrowers.

ARTICLE 7 - CONSENTS

7.1 Subject to applicable law, upon the occurrence of an Event of Default, the Borrowers consent to any action by the Lender in connection with the enforcement of the Security,

without the necessity of further notice or demand, and hereby agree not to directly or indirectly commence, carry on, consent to, or be a party in any way to any proceeding which would constrain any such action or which would call into question the validity or enforceability of the Indebtedness, and/or the Security. Without limiting the generality of the foregoing, upon or after the occurrence of an Event of Default, the Borrowers each hereby irrevocably consent to the private or Court appointment of a receiver in respect of any or all of the property or assets of each of the Borrowers.

ARTICLE 8 - GENERAL PROVISIONS

- 8.1 **Reimbursement.** The Borrowers agree to reimburse the Lender in respect of all reasonable expenses (including fees and disbursements at its lawyers' normal charges) which the Lender has incurred or will incur in connection with the review of the Security, the negotiation and preparation of this Agreement, the administration and the enforcement of the Loan and this Agreement. To the extent such expenses have not been included in the Indebtedness, the Lender may pay such expenses directly and the amount so paid shall form part of the Indebtedness, shall bear interest from the date of payment at the highest rate payable by the Borrowers for any of the Indebtedness to the Lender, and shall be secured by the Security.
- 8.2 **Release.** The Borrowers and the Guarantor hereby absolutely and irrevocably release, remise, acquit and forever discharge the Lender, its officers, directors, employees, agents and lawyers (all of the foregoing hereinafter called the "**Released Parties**") from any and all actions and causes of action, suits, claims, demands, liabilities, obligations, damages and expenses of any and every character, known or unknown, direct or indirect, at law or in equity, of whatsoever kind or nature, whether heretofore or hereafter arising, for or because of any fact, matter or things done, omitted or suffered to be done by the Released Parties prior to and including the date of execution hereof, and in any way directly or indirectly arising out of or in any way connected to this Agreement, the Note, the Security, and the administration and enforcement of the Loan and the Security (the "**Released Matters**"). The Borrowers and the Guarantor acknowledge that the agreements in this paragraph are intended to be in full satisfaction of all or any alleged injuries or damages arising in connection with the Released Matters. The Borrowers and the Guarantor represent and warrant to the Released Parties that they have not purported to transfer, assign or otherwise convey any of their respective rights, title or interest in any Released Matter to any other person and that the foregoing constitutes a full and complete release of all Released Matters. The foregoing release shall survive the termination of this Agreement, the Note and the Security the payment in full of the Indebtedness.
- 8.3 **Independent Legal Advice.** The Borrowers and the Guarantor acknowledge that, in executing and delivering this Agreement, they have acted and continue to act freely and without duress. The Borrowers and the Guarantor acknowledge that the actions of the Lender in entering into this Agreement have been fair and reasonable and that the Lender (i) has not acted in a managerial capacity with respect to the Borrowers, and (ii) has no fiduciary duty to the Borrowers in connection with this Agreement, the Note or the Security. The Borrowers and the Guarantor confirm that they have had the benefit of independent legal advice in connection with the negotiation of this Agreement. The

Borrowers and the Guarantor hereby waive and agree not to assert or cause to be asserted any defence, right or claim with respect to any matter set forth in this Agreement.

- 8.4 **Capacity and Authority.** The Borrowers represent and warrant to the Lender that they have the capacity and authority to enter into and perform their obligations under this Agreement.
- 8.5 **Necessary Proceedings.** The execution and delivery of this Agreement and the performance by the Borrowers of their obligations hereunder have been duly authorized by all necessary proceedings.
- 8.6 **Notices.** Any notice, consent or approval required or permitted to be given in connection with this Agreement (a “**Notice**”) shall be in writing and shall be sufficiently given if delivered (whether in person, by courier service or other personal method of delivery), or if transmitted by e-mail:

- (a) in the case of a Notice to the Lender at:

Bridging Finance Inc.
77 King Street West, Suite 2925
Toronto, ON M5K 1K7

Attention: Lekan Temidire
E-mail: ltemidire@bridgingfinance.ca

and with a copy to:

Chaitons LLP
5000 Yonge Street, 10th Floor
Toronto, ON M2N 7E9

Attention: Harvey Chaiton
E-mail: harvey@chaitons.com

- (b) in the case of a Notice to the Borrowers and the Guarantor:

Suite 300, 808 1st Street South West
Calgary AB T2P 1M9

Attention: William Gallacher
E-mail: billg@audiblecapital.com

and with a copy to:

Burnet, Duckworth & Palmer LLP
Suite 2400, 525-8th Ave SW
Calgary, AB T2P 1G1

Attention: Mitch Williams
E-mail: mwilliams@bdplaw.com


The date of receipt of such notice shall be the date of the actual delivery to the address specified if delivered or the date of actual transmission to the electronic address if sent by electronic communication, respectively, unless such date is not a Business Day, in which event the date of receipt shall be the next Business Day immediately following the date of such delivery or transmission. “**Business Day**” means a day other than a Saturday, Sunday, statutory holiday in the Province of Ontario, or any other day on which the Schedule 1 Canadian Chartered Banks located in the City of Toronto are not open for business during normal banking hours.

- 8.7 **Assignment.** The Borrowers and the Guarantor may not assign this Agreement or any rights or obligations under this Agreement except with the prior written consent of the Lender which may be withheld in the Lender’s sole discretion.
- 8.8 **Amendment.** No amendment, modification, waiver of this Agreement and, unless otherwise specified, no consent or approval by any party, shall be binding unless executed in writing by the party to be bound thereby.
- 8.9 **Enurement.** This Agreement shall enure to the benefit of and be binding upon the parties and their respective successors (including any successor by reason of amalgamation of any party), and permitted assigns.
- 8.10 **No Third-Party Beneficiaries.** Unless expressly stated herein, this Agreement shall be solely for the benefit of the parties hereto and no other person or entity shall be a third-party beneficiary hereof.
- 8.11 **No Novation.** This Agreement shall not constitute and shall not be deemed or construed to be a satisfaction, reinstatement, novation or release of the Note or the Security.
- 8.12 **Execution and Delivery.** This Agreement may be executed in counterparts, and acceptance of this Agreement may be provided by email transmission in PDF format and, on such execution and transmission, this Agreement shall be binding on the parties with the same force and effect as if originally executed.

[THE REMAINDER OF THIS PAGE WAS INTENTIONALLY LEFT BLANK]

IN WITNESS OF WHICH the parties have duly executed this Agreement on the date described above.

BRIDGING FINANCE INC., AS AGENT.

Per: 
 Name: Lekan Temidire
 Title: Managing Director


I have authority to bind the corporation.

AUDIBLE CAPITAL CORP.

Per: 
 Name: William Gallacher
 Title:

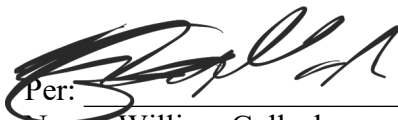
I have authority to bind the corporation

AVENIR TRADING CORP.

Per: 
 Name: William Gallacher
 Title:

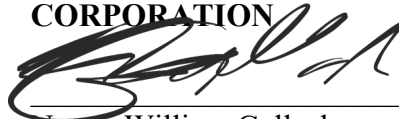
I have authority to bind the corporation

1892244 ALBERTA LTD.

Per: 
 Name: William Gallacher
 Title:

I have authority to bind the corporation

AVENIR SPORTS INTERNATIONAL CORPORATION

Per: 
 Name: William Gallacher
 Title:

I have authority to bind the corporation

1957932 ALBERTA LTD.

Per: 
 Name: William Gallacher
 Title:

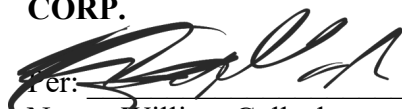
I have authority to bind the corporation

AVENIR SPORTS ENTERTAINMENT LTD.

Per: 
 Name: William Gallacher
 Title:

I have authority to bind the corporation

**AVENIR SPORTS ENTERTAINMENT
CORP.**

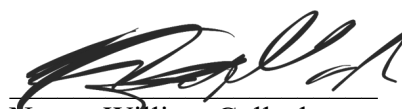

Per: _____
Name: William Gallacher
Title:

I have authority to bind the corporation



Witness:

PORTLAND WINTER HAWKS, INC.


Name: William Gallacher
Title:

I have authority to bind the corporation



WILLIAM GALLACHER

SCHEDULE “A”**SECURITY**

1. Debenture dated December 14, 2018 executed by Audible Capital Corp. (“**Audible**”), Avenir Trading Corp., 1892244 Alberta Ltd., Avenir Sports International Corporation, 1957932 Alberta Ltd. and Avenir Sports Entertainment Ltd. (“**ASEL**”)
2. Security Agreement dated December 14, 2018 executed by Avenir Sports Entertainment Corp. (“**ASEC**”) and Portland Winter Hawks, Inc.
3. Pledge and Security Agreement dated December 14, 2018 executed by Audible
4. Pledge and Security Agreement dated December 14, 2018 executed by ASEL
5. Equity Interest Pledge Agreement dated December 14, 2018 executed by ASEC
6. Guarantee dated December 14, 2018 executed by William Gallacher (the “**Guarantee**”)
7. Pledge and Security Agreement dated December 14, 2018 executed by William Gallacher

SCHEDULE “B”**INDEBTEDNESS**

Principal	\$19,999,985.66
Interest	<u>\$ 596,720.87</u>
Total	\$20,596,706.53

**THIS IS EXHIBIT "V" TO
THE AFFIDAVIT OF LEKAN TEMIDIRE
SWORN BEFORE ME THIS 28TH
DAY OF APRIL, 2020**



A Commissioner etc.

Sam P. Rappos

From: Harvey G. Chaiton
Sent: Monday, April 20, 2020 8:20 PM
To: Sam P. Rappos
Subject: FW: Lausanne

Categories: DM, #32142 : 4763858

Harvey G. Chaiton

Partner | Chaitons LLP | Tel: 416.218.1129

From: Arpagaus Reto <Reto.Arpagaus@bratschi.ch>
Sent: Wednesday, April 08, 2020 4:21 PM
To: temidire@bridgingfinance.ca
Cc: Bill Gallacher <billg@audiblecapital.com>; Harvey G. Chaiton <Harvey@chaitons.com>; Jacquie Shivak <jshivak@audiblecapital.com>
Subject: Lausanne

Hi Lekan

As explained in our today's telephone conference, I have information from the purchaser of the Lausanne transaction that we will receive a directive later tonight that the purchasers are ready to close tomorrow. In that case, the purchaser's counsel will call us tomorrow to execute closing. Assuming we receive the funds tomorrow before noon in our account, I can instruct our bank to forward the amount owing to bridging tomorrow.

Yours sincerely
 Reto Arpagaus

Bratschi AG (Ltd.)
 Rechtsanwälte | Attorneys-at-Law

Reto Arpagaus
 Partner
 Dr. iur., Rechtsanwalt, LL.M.
 Bahnhofstrasse 70
 Postfach
 CH-8021 Zürich
 Tel. +41 58 258 10 51 (direct line)
 Tel. +41 58 258 10 00
 Fax +41 58 258 10 99
reto.arpagaus@bratschi.ch
www.bratschi.ch

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**THIS IS EXHIBIT “W” TO
THE AFFIDAVIT OF LEKAN TEMIDIRE
SWORN BEFORE ME THIS 28TH
DAY OF APRIL, 2020**



A Commissioner etc.

Sam P. Rappos

From: Harvey G. Chaiton
Sent: Monday, April 20, 2020 8:21 PM
To: Sam P. Rappos
Subject: FW: Lausanne

Categories: DM, #32142 : 4763860

Harvey G. Chaiton

Partner | Chaitons LLP | Tel: 416.218.1129

From: Lekan Temidire <ltemidire@bridgingfinance.ca>
Sent: Thursday, April 09, 2020 3:55 PM
To: Jacquie Shvak <jshivak@audiblecapital.com>; Bill Gallacher <billg@audiblecapital.com>
Cc: Harvey G. Chaiton <Harvey@chaitons.com>; Harvey G. Chaiton <Harvey@chaitons.com>
Subject: RE: Lausanne

The following is required from Reto in the next 30 minutes:

- Purchase & Sale agreement
- Closing agenda
- Correspondence from the buyer's legal counsel confirming the closing of the deal and that funds are to be sent

Short of this in the next 30 minutes, do not waste my time with excuses.

Lekan Temidire, MFIN, CFA

Managing Director, Portfolio Management | **Bridging Finance Inc.**

77 King St W, Suite 2925 | Toronto | ON | M5K 1K7

T: (416) 309-8560 | **C:** (647) 473-6114

Visit us on the web www.bridgingfinance.ca

Canada's Premier Private Debt Provider

**THIS IS EXHIBIT "X" TO
THE AFFIDAVIT OF LEKAN TEMIDIRE
SWORN BEFORE ME THIS 28TH
DAY OF APRIL, 2020**



A Commissioner etc.

Sam P. Rappos

From: Harvey G. Chaiton
Sent: Monday, April 20, 2020 8:22 PM
To: Sam P. Rappos
Subject: FW: Lausanne
Attachments: SPA Execution Version (SW-05859010)_s2b (7971357).pdf

Categories: DM, #32142 : 4763861

Harvey G. Chaiton

Partner | Chaitons LLP | Tel: 416.218.1129

From: Arpagaus Reto <Reto.Arpagaus@bratschi.ch>
Sent: Friday, April 10, 2020 1:28 PM
To: Lekan Temidire <Itemidire@bridgingfinance.ca>
Cc: Bill Gallacher <billg@audiblecapital.com>; Harvey G. Chaiton <Harvey@chaitons.com>; Jacquie Shvak <jshivak@audiblecapital.com>
Subject: AW: Lausanne

Dear Mr Temidire

I have been asked by my clients to provide you with further information regarding the purchase of the Lausanne Hockey franchise as a follow up to the conversation we had previously. It is my understanding that you need input from me on the following two topics. Allow me to address them each individually.

1. You requested a copy of the Sales Purchase Agreement. Please find this document attached. Please note, this agreement still reflects the purchase price to be CHF 14,000,000. Since the time this SPA was agreed upon the Coronavirus become a major issue that reopened the negotiations and led to a new agreed upon amount. According to my instructions, that amount is now CHF 10,000,000. The attached SPA has not yet been revised to reflect that amount as it requires our receipt from the Purchaser of the final closing directive. Upon receipt of that document we will make this final adjustment and proceed to closing.
2. You requested a closing agenda. Allow me to outline the remaining steps:
 - a) The Purchasers' legal counsel needs to provide to us the directive to move to closing. This is forthcoming and, according to my information, both parties have agreed to begin the closing process the first work day after the Easter holiday which is Tuesday, 14 April 2020.
 - b) The next two steps are for the Purchaser to wire transfer the purchase price amount to the bank account of our law firm. Upon receipt (or proof the money has been sent) the Purchasers and the Seller will physically exchange the original documents which each party has already signed (and the original signatures being with the respective party's counsels). This will signify the actual and final closing.
 - c) Upon completion of execution of the exchange of the original documents and signing of the closing minutes, our firm will be free to release the funds to the Seller which will be the final step in the transaction.

Clearly this has been a long and unusual transaction that has been further complicated by the advent of a global pandemic and difficult economic reaction. I hope this update will help explain the situation more clearly.

Yours sincerely
 Reto Arpagaus

Von: Lekan Temidire [<mailto:ltemidire@bridgingfinance.ca>]

Gesendet: Mittwoch, 8. April 2020 22:33

An: Arpagaus Reto <Reto.Arpagaus@bratschi.ch>

Cc: Bill Gallacher <billg@audiblecapital.com>; Harvey G. Chaiton <Harvey@chaitons.com>; Jacquie Shivak <jshivak@audiblecapital.com>

Betreff: RE: Lausanne

Reto,

Confirming receipt of the email, and we look forward to receiving an update on when the funds have been wired.

Thank You

Lekan Temidire, MFIN, CFA

Managing Director, Portfolio Management | **Bridging Finance Inc.**

77 King St W, Suite 2925 | Toronto | ON | M5K 1K7

T: (416) 309-8560 | C: (647) 473-6114

Visit us on the web www.bridgingfinance.ca

Canada's Premier Private Debt Provider

From: Arpagaus Reto <Reto.Arpagaus@bratschi.ch>

Sent: April 8, 2020 4:23 PM

To: Lekan Temidire <ltemidire@bridgingfinance.ca>

Cc: Bill Gallacher <billg@audiblecapital.com>; Harvey G. Chaiton <Harvey@chaitons.com>; Jacquie Shivak <jshivak@audiblecapital.com>

Subject: Lausanne

Hi Lekan

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Yours sincerely

Reto Arpagaus

Bratschi AG (Ltd.)

Rechtsanwälte | Attorneys-at-Law

Reto Arpagaus

Partner

Dr. iur., Rechtsanwalt, LL.M.

Bahnhofstrasse 70

Postfach

CH-8021 Zürich

Tel. +41 58 258 10 51 (direct line)

Tel. +41 58 258 10 00

Fax +41 58 258 10 99

reto.arpagaus@bratschi.ch

www.bratschi.ch

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**THIS IS EXHIBIT “Y” TO
THE AFFIDAVIT OF LEKAN TEMIDIRE
SWORN BEFORE ME THIS 28TH
DAY OF APRIL, 2020**



A Commissioner etc.

Sam P. Rappos

From: Harvey G. Chaiton
Sent: Friday, April 10, 2020 8:05 PM
To: Arpagaus Reto
Cc: Lekan Temidire; Bill Gallacher; Jacquie Shivak
Subject: Re: Lausanne

Mr. Reto

Thx for your email. The delay in closing the sale transaction and remitting payment to BFI are unacceptable to my client. I have instructions from BFI to inform you and your client that unless the transaction closes and the funds are wired to BFI so that it receives the \$5mm by 12 noon ET on Wednesday April 15th, BFI will take steps without further notice to you and your client to enforce its security and control the sale of the hockey club. We trust that will not be necessary.

Sent from my iPhone

Harvey G. Chaiton

Partner | Chaitons LLP | Tel: 416.218.1129

On Apr 10, 2020, at 1:28 PM, Arpagaus Reto <Reto.Arpagaus@bratschi.ch> wrote:

Dear Mr Temidire

I have been asked by my clients to provide you with further information regarding the purchase of the Lausanne Hockey franchise as a follow up to the conversation we had previously. It is my understanding that you need input from me on the following two topics. Allow me to address them each individually.

1. You requested a copy of the Sales Purchase Agreement. Please find this document attached. Please note, this agreement still reflects the purchase price to be CHF 14,000,000. Since the time this SPA was agreed upon the Coronavirus become a major issue that reopened the negotiations and led to a new agreed upon amount. According to my instructions, that amount is now CHF 10,000,000. The attached SPA has not yet been revised to reflect that amount as it requires our receipt from the Purchaser of the final closing directive. Upon receipt of that document we will make this final adjustment and proceed to closing.
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Yours sincerely

Reto Arpagaus

Von: Lekan Temidire [mailto:ltemidire@bridgingfinance.ca]

Gesendet: Mittwoch, 8. April 2020 22:33

An: Arpagaus Reto <Reto.Arpagus@bratschi.ch>

Cc: Bill Gallacher <billg@audiblecapital.com>; Harvey G. Chaiton <Harvey@chaitons.com>; Jacquie Shivak <jshivak@audiblecapital.com>

Betreff: RE: Lausanne

Reto,

Confirming receipt of the email, and we look forward to receiving an update on when the funds have been wired.

Thank You

Lekan Temidire, MFIN, CFA

Managing Director, Portfolio Management | **Bridging Finance Inc.**

77 King St W, Suite 2925 | Toronto | ON | M5K 1K7

T: (416) 309-8560 | C: (647) 473-6114

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From: Arpagaus Reto <Reto.Arpagus@bratschi.ch>

Sent: April 8, 2020 4:23 PM

To: Lekan Temidire <ltemidire@bridgingfinance.ca>

Cc: Bill Gallacher <billg@audiblecapital.com>; Harvey G. Chaiton <Harvey@chaitons.com>; Jacquie Shivak <jshivak@audiblecapital.com>

Subject: Lausanne

Hi Lekan

As explained in our today's telephone conference, I have information from the purchaser of the Lausanne transaction that we will receive a directive later tonight that the purchasers are ready to close tomorrow. In that case, the purchaser's counsel will call us tomorrow to execute closing. Assuming we receive the funds tomorrow before noon in our account, I can instruct our bank to forward the amount owing to bridging tomorrow.

Yours sincerely
Reto Arpagaus

Bratschi AG (Ltd.)

Rechtsanwälte | Attorneys-at-Law

Reto Arpagaus

Partner

Dr. iur., Rechtsanwalt, LL.M.

Bahnhofstrasse 70

Postfach

CH-8021 Zürich

Tel. +41 58 258 10 51 (direct line)

Tel. +41 58 258 10 00

Fax +41 58 258 10 99

reto.arpagus@bratschi.ch

www.bratschi.ch

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<SPA Execution Version (SW-05859010)_s2b (7971357).pdf>

**THIS IS EXHIBIT “Z” TO
THE AFFIDAVIT OF LEKAN TEMIDIRE
SWORN BEFORE ME THIS 28TH
DAY OF APRIL, 2020**



A Commissioner etc.

POSTPONEMENT AGREEMENT

TO: BRIDGING FINANCE INC.

RECITALS:

- A. Audible Capital Corp. (the "**Borrower**") has entered into a demand promissory note dated December 14, 2018 in favour of Bridging Finance Inc. ("**Bridging**") for Cdn. \$20,000,000 (all of such liabilities and obligations, present or future, direct or indirect, contingent or matured, being referred to as the "**Bridging Obligations**"), and as security for the Bridging Obligations or a portion thereof, the Borrower has granted or may hereafter grant certain security to Bridging (collectively, all such security, whether now in existence or hereafter granted, being referred to as the "**Bridging Security**") over all of its present and after-acquired personal and real property.
- B. The Borrower is or may become indebted to, liable to or otherwise obligated to Bank of Montreal ("**BMO**", and all of such indebtedness, liabilities and obligations, present or future, direct or indirect, contingent or matured, being referred to as the "**BMO Obligations**"), and as security for the BMO Obligations or a portion thereof, the Borrower has granted and/or may hereafter grant security to BMO (collectively, all such security, whether now in existence or hereafter granted, being referred to as the "**BMO Security**") over some or all of its present and after-acquired personal and real property.
- C. As a condition to Bridging continuing to provide credit facilities to the Borrower, Bridging requires a postponement and standstill on the terms set out herein.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the covenants herein contained and other good and valuable consideration and the payment of the sum of \$10.00, the receipt and sufficiency of which is hereby acknowledged, the undersigned agrees and undertakes as follows:

1. BMO acknowledges and agrees that the BMO Security is hereby fully postponed and subordinated in all respects to the Bridging Security, and that the Bridging Security has priority over the BMO Security over all present and after-acquired properties and assets of the Borrower.
2. BMO agrees that it will not, without the prior written consent of Bridging, realize on or enforce the BMO Security prior to the payment in full of all Bridging Obligations.
3. BMO agrees that it will not, without the prior written consent of Bridging, make any registration at the Land Title Office against any real property or related interest of the Borrower prior to the payment in full of all Bridging Obligations, and in any event, shall only do so if Bridging has already registered a caveat or mortgage against such real property or related interest such that the Bridging would rank in a priority position to BMO over such real property or related interest.
4. BMO agrees that it will not assign the BMO Obligations or the BMO Security to any person without the prior written consent of Bridging.
5. Bridging may grant time, renewals, extensions, releases and discharges to, accept compositions from and otherwise deal with the Borrower and any other persons liable to Bridging in respect of Bridging Obligations as Bridging may see fit without notice to BMO and without prejudice to or in any way limiting or affecting the agreements on the part of BMO pursuant to this Postponement and Standstill Agreement.

6. This Postponement and Standstill Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta.
7. This Postponement and Standstill Agreement shall be binding on BMO and its successors and assigns, and shall enure to the benefit of Bridging and its successors and assigns.

IN WITNESS WHEREOF the undersigned has executed this agreement under the hands of its duly signed officers this 17 day of December, 2018.

BANK OF MONTREAL

By: M. Wallman
Melissa Wallman - Sr. Associate UHNW Lending

By: _____

BMO PRIVATE BANKING

7th Flr. First Cdn Centre
350 - 7th Avenue SW
Calgary, AB T2P 3N9
Transit #3218

TAB 3

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

B E T W E E N:

BRIDGING FINANCE INC., AS AGENT

Applicant

- and -

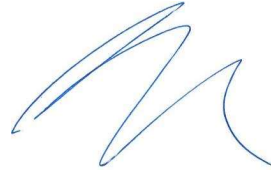
**AUDIBLE CAPITAL CORP.,
AVENIR TRADING CORP., 1892244 ALBERTA LTD.,
AVENIR SPORTS ENTERTAINMENT LTD.,
AVENIR SPORTS ENTERTAINMENT CORP. and
PORTLAND WINTERHAWKS, INC.**

Respondents

APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c.B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c.C.43, AS AMENDED

CONSENT

KSV KOFMAN INC. ("KSV") hereby consents to act as Court-appointed receiver, without security, of all of the assets, undertakings and properties of the Respondents pursuant to subsection 243(1) of *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended, in accordance with an order substantially in the form requested by the Applicant, or as such order may be amended in a manner satisfactory to KSV.

DATED this 28th day of April, 2020**KSV KOFMAN INC.**


By: _____
 Name: Noah Goldstein
 Position: Managing Director
 I have authority to bind the corporation

BRIDGING FINANCE INC., AS AGENT
Applicant

AUDIBLE CAPITAL CORP. ET AL.
Respondents

Court File No. CV-20-

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

APPLICATION RECORD
(appointment of a Receiver)

CHAITONS LLP

5000 Yonge Street, 10th Floor
Toronto, Ontario M2N 7E9

Harvey Chaiton (LSO #21592F)

Tel: (416) 218-1129

Fax: (416) 218-1849

Email: harvey@chaitons.com

Sam Rappos (LSO #51399S)

Tel: (416) 218-1137

Fax: (416) 218-1837

E-mail: samr@chaitons.com

Lawyers for the Applicant